

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Friday, December 9, 1994

No. 34,767

For Divided EU, a Grim View of the Summit

By Tom Buerkle
International Herald Tribune
BRUSSELS — With the growing splits over the future shape of the European Union rarely more apparent, senior officials have prepared an agenda for the group's semiannual summit meeting that avoids the crucial issues of how to pay for EU membership for East European countries and how to get Europe's 17 million unemployed back to work, officials and analysts say.
More broadly, the Union, whose sum-

mit meeting will open Friday in Essen, Germany, is still reeling from the growing rift in the Atlantic alliance over Bosnia.
Second of two articles
nia, and the failure of Western leaders in Budapest early this week to make any progress to stop the fighting.
Jacques Delors, the president of the EU executive commission, lashed out at the United States on Wednesday, saying Washington's "hasty" initiative to begin

considering North Atlantic Treaty Organization membership for Eastern Europe was making it more difficult for the West to cement a stable relationship with Russia.
But privately, EU officials said the Essen meeting was unlikely to come up with anything to ease security concerns in the East. One senior diplomat predicted "short-term, tactical discussions" but no grand blueprints. "No one is ready for that," he said.
Not Helmut Kohl, the host, who was

re-elected in Parliament as Germany's chancellor last month by a single vote. Not John Major or Silvio Berlusconi, whose tenuous grips on power were underscored by a defeat on a key tax bill in Britain on Tuesday and a heated dispute over pension reform in Italy. Not Francois Mitterrand, whose health problems have raised concern.
"These are very weak leaders, every one of them," said Jonathan Eyal, direc-

See SUMMIT, Page 10

U.S. Offers Troops For Bosnia Pullout

Operation by NATO Could Involve Up to 25,000 Americans on Ground

By Paul F. Horvitz
International Herald Tribune
WASHINGTON — The United States formally told its NATO allies on Thursday that it was willing to supply thousands of American ground troops — up to 25,000, according to one report — to assist in a possible withdrawal of United Nations peacekeeping forces from Bosnia.
A senior Pentagon official said, however, that Washington did not favor such a withdrawal.
The high-ranking U.S. official clearly wished to reassure European members of NATO that Washington would come to their aid if a rescue of UN forces, many of whom come from Europe, is required.
"That is what allies are for," the U.S. official said.
One likely result of the U.S. message is a serious foreign-policy fight in Congress that could severely test President Bill Clinton's attempt to mend fractures in the North Atlantic Treaty Organization over Balkan policy. Mr. Clinton has long vowed to keep U.S. forces out of Bosnia except to enforce a negotiated peace settlement.
There were signs that the White House hoped to put further pressure on the Bosnian Serbs to reach a negotiated settlement by reinforcing NATO unity, by stating that NATO flights were continuing over Bosnia and by reminding the Serbs that a pullout of UN troops could free NATO to pursue vigorous air strikes.
A senior NATO diplomat said that NATO military officials were very likely to

submit a formal estimate of their requirements by next week on safely withdrawing the 23,000 United Nations protective and humanitarian forces spread across Bosnia-Herzegovina, along with tons of supplies and about 8,000 UN vehicles.
Though no final decision on a pullout has been made by the UN Security Council, it appeared that the momentum for a withdrawal was building.
"Many allies are concerned about the deteriorating security situation and have become convinced that it is necessary at least to do serious military planning on withdrawal," the Pentagon official said.
Estimates from other NATO officials and from Pentagon sources suggested that the total number of troops required could run from as few as 20,000 to as many as 40,000, in addition to substantial amounts of armored vehicles, including tanks.
The Associated Press quoted an unidentified senior U.S. official as saying that Washington was willing to provide as many as 25,000 troops. The Pentagon official said that 40 percent to 50 percent of the total force would most likely be American.
"All of this is being done on an urgent basis," the NATO diplomat said, should a UN withdrawal "happen in a rather more hostile than benign environment."
Independent analysts have suggested that the UN forces, several hundred of whom remain virtual hostages of Serbian troops, may face very arduous and danger-

See BOSNIA, Page 10

Will He Run? Latest Signal About Delors Points to No

By Joseph Fitchett
International Herald Tribune
PARIS — Contrary to all expectations, Jacques Delors — shown by opinion polls to be widening his lead over all other candidates — was the subject of serious speculation on Thursday that he has decided not to run for the French presidency.
A French official said Thursday that Mr. Delors, head of the European Commission, had disclosed his decision to Chancellor Helmut Kohl in an aside, partly in German, during a gathering of world leaders this week in Budapest.
If he does not run, French conservatives can be confident of capturing the presidency on top of their current big majority in Parliament.
In offering an explanation of his hesitations, associates said that a Delors candidacy would aggravate tensions in France about closer European unity, already a rancorous issue. More than any conservative contender, Mr. Delors wants France to hand over more national power to the European Union.
A campaign centered on French attitudes toward Europe, even if it ended in victory for Mr. Delors, might prove so divisive that it would set back the chances of closer European integration and damage relations with neighboring countries, especially Germany.
No comment was available from the offices of Mr. Delors or Mr. Kohl about their reported conversation. Mr. Delors understands German but rarely speaks it.
Pointing to the possibility that the rumor is only an electoral maneuver, Le Monde reported in a front-page article Thursday that the sudden "doubts" about a Delors candidacy had rekindled the infighting among French conservatives by suggesting that they have the field to themselves.
Recently, pressure has been mounting on the two main contenders — Jacques Chirac, the perennial conservative standard-bearer, and Prime Minister Edouard Balladur, who has courted popularity by

See DELORS, Page 10



Jacques Delors being applauded Thursday after he addressed a gathering of European Socialists in Essen, Germany.

London and Dublin Crises Stall Irish Talks

By John Darnott
New York Times Service
LONDON — As negotiators for the British government and representatives of the Irish Republican Army prepare for their first meeting on Friday in Belfast, a hard truth has become evident: The peace process in Northern Ireland has bogged down.
The stalling did not happen, as many had feared, because trigger-happy gunmen broke the cease-fire on either the Roman Catholic or Protestant side. Instead, it came about because the two governments behind the process, London and Dublin, are caught up in simultaneous political crises.
Talks are still going on in Dublin aimed

at piecing together a new governing coalition in Ireland, after a scandal over the failure to extradite a pedophile priest forced the resignation of Prime Minister Albert Reynolds three weeks ago. If they do not soon succeed, the country will undergo a general election that almost no one wants.
Dick Spring, the Irish Labor Party leader and a key figure in aligning international support for the peace process, warned Tuesday that the weeks required for an election would spell a "prolonged period of instability" that "would do potential

damage to the progress toward peace and reconciliation in Ireland."
In London, the Conservative government of Prime Minister John Major has been obsessed with a parliamentary rebellion among its own backbenchers. On Tuesday, the mutinous Tories brought about an ignominious defeat for Mr. Major on a tax proposal. The ruckus has meant that Whitehall cannot even focus on Bosnia, where it is thinking of withdrawing its troops, never mind Northern Ireland.
To complicate matters, Mr. Major punished the rebels by temporarily drumming them out of the party, thus losing his majority in the House of Commons. This

See PEACE, Page 10

2 Banking Giants Weigh A Trans-Atlantic Merger

By Erik Ipsen
International Herald Tribune
LONDON — In a merger that would create one of the world's largest investment banks, Morgan Stanley, of the United States, and S.G. Warburg, of Britain, are considering pooling their operations, the banks revealed Thursday.
The move, which would form an investment bank with total capital of \$6.8 billion, would bring together the fourth-largest U.S. securities firm with Britain's largest investment bank and the leader in European mergers and acquisitions.
It would create a holding company two-thirds owned by Morgan Stanley and one-third by Warburg, the companies said.
Many analysts in London and New York insisted that the deal amounted to a takeover of Warburg.
The merger talks come as both banks face increasingly difficult market conditions. This has been the worst year on Wall Street since 1990, as investment banks face tougher competition and declining profits.
For British merchant banks in general, the prospect that one of its erstwhile brightest stars cannot go it alone in today's global financial markets comes as a major disappointment.
"It seems that being the biggest in the U.K. is just not big enough," said Johnny de la Hay, an analyst at S.G. Strauss Turn-

bull in London. "The home turf of Britain is just not big enough."
Philip Gibbs, an analyst at Barclays de Zoete Wedd, listed the benefits of the deal for Morgan Stanley as "synergy, cost savings, plus a very strong European franchise."
Shares of Warburg soared on the news. But analysts emphasized that the rise in share price was less a vote of confidence in the merger than in the belief that a cash bidder might emerge for Warburg. Morgan Stanley has proposed a simple exchange of shares.
In the last month, both J.P. Morgan, the American bank, as well as HSBC Holdings, owners of the Hongkong & Shanghai and Midland banks, were rumored to be considering a bid for Warburg. Some analysts put the potential value of a share of Warburg at up to £12 (\$18.75).
On Thursday it closed at 791 pence, up 119 pence on the day on heavy trading volume. The fact that Warburg's shares soared in the hours before the announcement of a possible merger led to widespread calls in London for an investigation of possible insider trading.
Warburg has been seen as a potential candidate for acquisition ever since it stunned the London market in October

See MERGER, Page 10

Kiosk Cuban Refugees Riot in Panama

PANAMA CITY (Reuters) — About 1,000 Cubans fled a U.S.-run refugee camp in Panama on Thursday after riots in which 60 soldiers were injured, U.S. military officials said.
The Cubans, who attacked U.S. soldiers with stones, ran out of the camp after tearing down a barbed wire fence, a U.S. military spokesman said.
He said the 60 injured U.S. soldiers were trying to quell the revolt. "There were cuts and bruises but no serious injuries," he said.
The Cubans, who were transferred to Panama after they were picked up by the U.S. Coast Guard this summer, have protested the slow pace of transfers from the camps to the United States and other countries. Nearly 9,000 Cuban refugees are at four camps near the Panama Canal.

Book Review Page 7.
Bridge Page 7.
Crossword Page 23.

Dow Jones	Trib Index
Down 49.79	Down 0.72%
3685.73	111.07

The Dollar	Thurs. close	previous close
New York	1.577	1.5676
DM	1.5638	1.568
Pound	1.0055	99.95
Yen	5.414	5.384
FF		

Newsstand Prices	
Andorra.....9.00 FF	Luxembourg 60 L Fr
Antilles.....11.20 CFA	Morocco.....12 Dh
Cameroun.....1.400 CFA	Qatar.....8.00 Rials
Egypt.....E.P. 5000	Reunion.....11.20 FF
France.....9.00 FF	Saudi Arabia.....3.00 R.
Gabon.....960 CFA	Spain.....200 PTAS
Greece.....300 Dr.	Turkey.....1.000 Din
Italy.....1.200 CFA	Tunisia.....35.000
Ivory Coast.....1.120 CFA	U.A.E.....8.50 Dirh
Jordan.....1 JD	U.S. Mil. (Eur.) \$1.10
Lebanon.....US\$1.50	



MASKED RALLY — Members of the Popular Front for the Liberation of Palestine gathering Thursday in Bethlehem to mark the seventh anniversary of the uprising against Israel. Meanwhile, Israel's foreign minister, Shimon Peres, and Yasser Arafat of the PLO met at the Gaza border. Page 2.

White House Bomb Ends the Mushroom-Cloud War

The Associated Press
WASHINGTON — The Postal Service bowed to White House pressure Thursday and changed plans to issue a stamp showing a mushroom cloud, representing the atomic bombing of Japan in 1945.
The stamp, part of a 10-stamp World War II commemorative series, will be replaced by one depicting President Harry S. Truman preparing to announce the end of the war.
"We are changing the design of the stamp because of the importance of U.S.-Japan relations at this critical time in U.S.

foreign policy, and because President Clinton conveyed his views that it was appropriate to do so," the postmaster general, Marvin T. Runyon, said.
Announcement of the proposed stamp, part of a series designed to recall major events of the war, triggered protests in Japan and a formal objection from the Japanese government. But postal officials had been reluctant to change, citing the feelings of U.S. veterans of the Pacific war.
The Postal Service board of governors, meeting last week, reportedly told Mr. Runyon it supported the planned stamp

and urged him not to change it unless the president called for a change.
The switch came following two calls to Mr. Runyon from the White House chief of staff, Leon E. Panetta. The State Department had also pressed for the change.
"We agree that the atomic bomb helped speed the end of the war. But again there could be more appropriate ways to depict that event," Dee Dee Myers, the White House press secretary, said Wednesday — which happened to be the anniversary of Japan's 1941 attack on Pearl Harbor.
Retired Major General Charles W.

Sweeney, the pilot of the plane that dropped the bomb on Nagasaki on Aug. 9, 1945, three days after the Hiroshima bombing, also expressed concern about the planned stamp, calling the proposed artwork "too heavy-handed." He suggested a stamp depicting two B-29 bombers against a blue sky.
The stamp, based on a painting by William Bond of Arlington, Virginia, showed a mushroom-shaped cloud and carried the wording: "Atomic bombs hasten war's end, August 1945." Japan surrendered within a week after the bombings.

Links to Russia At a Low Point, U.S. Aides Say

By Steven Greenhouse
New York Times Service
WASHINGTON — Stung by Moscow's opposition to their proposal to expand the North Atlantic Treaty Alliance, Clinton administration officials acknowledge that relations with Russia have sunk to their lowest level in years.
Eager to ease the tension, administration officials said that high-level contacts had opened and that Vice President Al Gore would seek to mend fences next week in Moscow.
Several officials said they were surprised by the bitterness of the attack against NATO's expansion that President Boris N. Yeltsin made Monday in Budapest, saying that he was not merely playing to his domestic audience but was underlining important differences between Moscow and Washington.
"We obviously have some very serious problems about how we are going to deal with Russia over the next months and couple of years about the future of Europe," a senior administration official said.
The differences were underlined last week in Brussels when the Russian foreign minister, Andrei V. Kozirev, angered and embarrassed the United States and other NATO members by refusing to sign documents spelling out Moscow's plans to cooperate with what NATO calls the Partnership for Peace, a loose association with former Soviet-bloc countries.
Tensions are also running high over Bosnia, with Russia joining France and Britain in opposing the administration's calls — now renounced — for air strikes against the Serbs. Russia also blocked a Security

See TIES, Page 10

Russia Gets 7 Captives, But Delays Negotiation

MOSCOW — Moscow played a waiting game Thursday with the rebel republic of Chechnya, which is ringed by Russian troops and tanks and poised for war.

After two days' delay, a senior Russian military officer finally reached the Chechen capital, Grozny, in the evening and collected seven Russian prisoners captured while fighting under cover with the Moscow-backed Chechen opposition last month.

The separatist leader of Chechnya, Dzhokhar Dudayev, promised to free all Russian captives during talks on Tuesday with the Russian defense minister, Pavel S. Grachev. Fourteen captives had been returned before Thursday, and Mr. Dudayev said that one Russian remained in a Grozny hospital.

"I think Dudayev's move was motivated by humane feelings," the Russian officer, Colonel-General Ivan Chizh, said in Grozny after the handover. But General Grachev indefinitely postponed his return to a mountain town near Chechnya, where he had been expected Thursday for more talks with Mr. Dudayev, the Itar-Tass press agency said.

The official Russian agency gave no reason for the postponement.

Earlier, a Russian government center formed to handle the Chechen crisis said that Mr. Dudayev had dropped objections to holding peace talks with local opposition forces.

It said that representatives from Moscow and the two Chechen sides would begin talks in the southern Russian town of Vladikavkaz on Monday afternoon. But Chechnya swiftly denied the Russian statement. "The Chechen republic's delegation agrees to meet only the Russian Federation's delegation," a spokesman for Mr. Dudayev told Itar-Tass.

Mikhail S. Gorbachev, who was presiding over the final days of the Soviet Union when Mr. Dudayev declared his republic's independence from Russia in 1991, offered Thursday to mediate in the conflict. Mr. Gorbachev made the offer in a telephone conversation with Mr. Dudayev.

Moscow has shown its hand in Chechnya more and more openly since its soldiers were captured last month.

On Wednesday, Moscow ordered Chechnya to drop its independence bid or face a fierce clampdown. Mr. Dudayev asserted that the Russian stance was forcing Chechnya into war.

Both houses of the Russian Parliament met Thursday on the crisis.



Chechens near Grozny using a ladder Thursday to cross a bridge damaged in air raids.

Peres Meets Arafat To Reinforce Peace

EREZ, Gaza Strip — Leaders of Israel and the PLO, about to receive the Nobel Peace Prize, announced Thursday that they were searching for a way to save the accord they signed 15 months ago.

Foreign Minister Shimon Peres and Yasser Arafat, chairman of the Palestine Liberation Organization, put their best faces forward after a one-hour meeting, each addressing the other's concerns in the next phase of their deal — Palestinian elections and Israeli security.

"Chairman Arafat and myself checked today several options and each of us would like to contemplate it for some time before we shall see what will be the best approach to handle the differences and the dilemmas which are inherent," Mr. Peres said.

He told reporters the two of them and Prime Minister Yitzhak Rabin, who will share the prize with them in Norway on Saturday, would hold talks while in Oslo.

Mr. Peres met Mr. Arafat at the Erez crossing between Israel and the Palestinian-ruled Gaza Strip.

Mr. Arafat, in charge of Gaza and Jericho since the Israeli handover in May, wants early elections there and in the West Bank but must first negotiate details for redeploying Israeli troops away from still-occupied West Bank Palestinian towns.

Several hours after the Peres-Arafat meeting, Israel's government, ending three days of debate, reaffirmed its support for the peace deal.

9 Killed in South Lebanon
In southern Lebanon, nine pro-Israeli militiamen were killed and 10 others wounded Thursday in two separate Hezbollah bomb attacks, Agence France-Press reported.

Peres Meets Arafat To Reinforce Peace

EREZ, Gaza Strip — Leaders of Israel and the PLO, about to receive the Nobel Peace Prize, announced Thursday that they were searching for a way to save the accord they signed 15 months ago.

Foreign Minister Shimon Peres and Yasser Arafat, chairman of the Palestine Liberation Organization, put their best faces forward after a one-hour meeting, each addressing the other's concerns in the next phase of their deal — Palestinian elections and Israeli security.

"Chairman Arafat and myself checked today several options and each of us would like to contemplate it for some time before we shall see what will be the best approach to handle the differences and the dilemmas which are inherent," Mr. Peres said.

He told reporters the two of them and Prime Minister Yitzhak Rabin, who will share the prize with them in Norway on Saturday, would hold talks while in Oslo.

Mr. Peres met Mr. Arafat at the Erez crossing between Israel and the Palestinian-ruled Gaza Strip.

Mr. Arafat, in charge of Gaza and Jericho since the Israeli handover in May, wants early elections there and in the West Bank but must first negotiate details for redeploying Israeli troops away from still-occupied West Bank Palestinian towns.

Several hours after the Peres-Arafat meeting, Israel's government, ending three days of debate, reaffirmed its support for the peace deal.

9 Killed in South Lebanon
In southern Lebanon, nine pro-Israeli militiamen were killed and 10 others wounded Thursday in two separate Hezbollah bomb attacks, Agence France-Press reported.

EUROPEAN TOPICS

Belgian Chicken Farm Is a Borderline Case

The good intentions were there, and the will to work together, but then, apparently, business got in the way.

Even in the days before the Maastricht treaty, towns along a stretch of the French-Belgian frontier had formed what they called the Eurozone, to promote cross-border cooperation.

That's why officials in Watrelos, on the French side of the border, couldn't understand how their Belgian counterparts in nearby Estaimpuis could have authorized construction of a huge chicken farm — projected population, 512,000 — without consulting them. Well, they can imagine: The farm would create 30 jobs, no small argument in local politics.

It would also create a nauseating smell, constant noise from trucks coming and going, and runoff from nitrates and ammonia, say its French detractors. Ecologists have asked the European Commission in Brussels for help, but to little avail.

This type of intensive chicken farming was banned years ago in France and in Flemish Belgium, but it remains legal in French-speaking Belgium. Officials in France are now pushing for an EU-wide ban.

Around Europe

Since the death of Franco in 1975, the copious calendar of religious holidays in Spain has dwindled, losing about a half-dozen festival days, including Ascension and Corpus Christi. But frustrated businessmen and industrialists say it hasn't shrunk enough. This week, for example, Tuesday was Constitution Day in Spain and Thursday was the Immaculate Conception. So by taking only two or three work days off, Spanish employees could manage two four-day holidays or one nine-day vacation. Spanish employers say this is madness — they expect all absenteeism records to be broken, and production to plummet by some 300 billion pesetas, reports Le Soir of Brussels. The Roman Catholic Church is willing to admit that there are still too many holidays in Spain, but says it's time for a nonreligious

Kurdish Lawmakers Sentenced by Turkey

Case Draws Western Charges Of Human-Rights Violations

By Kelly Couturier
Washington Post Service

ANKARA — In a trial that has raised questions about the limits of democracy in Turkey, a Turkish court sentenced eight Kurdish members of Parliament to prison terms ranging from 3 to 15 years on Thursday for their involvement with a Kurdish separatist terrorist group.

Hours before the sentences were announced, the State Security Court dropped treason charges — which carried the death penalty — against the eight. Seven of the Kurds were members of the pro-Kurdish Democracy Party, abolished by the government in June. Instead, they were charged under articles of the Turkish penal code that involve aiding and abetting outlawed groups.

Sentenced to 15 years were Leyla Zana, the only woman in the group, as well as Hatip Dicle, Ahmet Turk, Orhan Dogan and Selim Sadak for urging support for the outlawed Kurdish Workers Party, or the PKK, the Marxist separatist group that has been waging a bloody insurgency in the country's southeastern provinces for more than a decade, and for acting on orders from the Workers Party leader, Abdullah Ocalan.

Sedat Yurtas was sentenced to seven and a half years in prison for urging people to support the Workers Party and raising its cause, and Sirri Sakik and Mahmut Alinak were each given a three-and-a-half-year sentence for spreading sep-

arist propaganda; however, their release was ordered on the grounds that they had already spent nine months in jail.

Six of the deputies have been jailed since March, when their parliamentary immunity was lifted at the request of the State Security Court, which handles cases related to terrorism. The two others were arrested after the Democracy Party was abolished in June.

Videotaped speeches and taped telephone calls were used as evidence in the trial, which was widely decried by human-rights activists in Turkey and the West as a denial of freedom of speech and the democratic process.

Turkey is to sign a customs union agreement with the European Union this month, but the trial has further damaged its ties with the West, which has been pressuring Turkey to improve its human-rights record. The European Parliament suspended contacts with Turkish counterparts over the trial, and international observers said they would protest the sentencing to international organizations.

The U.S. State Department stated its "deep concern" over the trial, while President Francois Mitterrand of France sent a letter to European leaders urging support for the Kurdish parliamentarians. Turkey has grown increasingly sensitive to outside criticism of its handling of the Kurdish conflict, stressing that there is no "Kurdish problem" in Turkey, only a terrorism problem.

holiday to be dropped, like Constitution Day. Leftist politicians strenuously disagree.

Philip Andronik, a 13-year-old Sarajevo schoolboy, started a rather unusual collection in 1992, when he broke out: He has kept every empty box, tin can, tube or bottle — every bit of packing material — in which humanitarian aid has come for his family, which includes his mother and brother. The count to date: 51 tin cans and 484 other containers. It hasn't been easy: Every used item has to be washed, and water is obtained in Sarajevo at some risk.

A gang of four or five masked men intercepted a truck from Hungary as it was arriving at Rungis, Paris's wholesale food market, Sunday night. The men locked the drivers in a walk-in cooler, then drove off with their booty — 13 tons of goose liver paté, worth about 700,000 francs (\$130,000). So far there are no suspects. But authorities may want to keep an eye open for anyone making extraordinarily large purchases of Sauternes.

Brian Knowlton

WORLD BRIEFS

Slasher Attacks Shoppers in England

LONDON (Reuters) — A man armed with a knife slashed the throats of 14 people, mostly women, at random in a department store in Birmingham on Thursday before being arrested. The man calmly walked around a Rackhams store with two knives, one a long carving knife, apparently targeting women and slashing at their throats. Ambulance services said about 35 people were treated for wounds or shock; 14 were treated for stab or slash wounds, and 2 were seriously hurt.

A 30-year-old man was arrested. "He was very calm and didn't say a word when he walked into the shop," a witness said. "I saw him grab a woman and she screamed out. Then he cut her."

Belgian Defense Chief Is Forced Out

BRUSSELS (AP) — Defense Minister Léo Delcroix resigned Thursday after allegations of tax fraud in connection with a villa he owns in the south of France. He was the fourth high government official to be forced out in a year of political scandals.

Mr. Delcroix said he stepped down to keep the government from becoming implicated in the affair, and observers said that the center-left coalition of Prime Minister Jean-Luc Dehaene was expected to survive. Mr. Dehaene announced later that Karel Pinxten, a member of the Flemish wing of the Christian Democratic Party, would become the new defense minister.

Mr. Delcroix had denied earlier this year he owned a villa in Provence, but acknowledged otherwise Wednesday.



Mr. Delcroix, whose villa in Provence is at the center of the tax fraud allegations.

Slovak Coalition Excludes the Center

BRATISLAVA, Slovakia (Reuters) — Slovakia's prime minister-designate, Vladimir Meciar, will form a coalition government with leftist and extreme-rightist parties on Sunday, ending a two-month political stalemate, according to his party.

Mr. Meciar's Movement for a Democratic Slovakia, which won 35 percent of the vote in October on a populist-nationalist platform, said Thursday it would sign a pact with the extreme-rightist Slovak National Party and the leftist Slovak Workers Party. The three parties had already formed a loose 83-seat voting bloc in the 150-member Parliament.

The new cabinet, if accepted by President Michal Kovac and approved by Parliament, would be in sharp contrast to the current centrist government, installed after Mr. Meciar was toppled in March by a parliamentary vote of no confidence.

Chinese Group Appeals on Dissident

BEIJING (Combined Dispatches) — A group of 22 prominent Chinese intellectuals and dissidents appealed to the authorities Thursday to halt what they said was police harassment of a former student dissident leader, Wang Dan. In an open letter, the group deplored the treatment of Mr. Wang and called on the international community to take up his case.

Mr. Wang, 25, who has been under 24-hour police surveillance since the fifth anniversary on June 4 of the 1989 crackdown on the democracy movement, filed a suit against the Beijing Public Security Bureau on Monday, claiming violation of his civil rights. (APF, WP)

3 Die, 150 Hurt in Bangladesh Clash

DHAKA, Bangladesh (Reuters) — Three people were killed and nearly 150 wounded Thursday when police fired on strikers and their supporters in southern Bangladesh on the second day of an opposition-led general strike, activist leaders said.

They said the police fired on thousands of activists, mostly members of the opposition Awami League party, in the town of Feni. The police said they acted in self-defense after the crowd, which they said included people with firearms and bombs, turned on them. Officials in Feni confirmed only one death and said there were more than 25 policemen among the wounded.

The police later raided Feni College, a stronghold of anti-government students, arresting 53 activists and seizing weapons and explosives. Opposition parties called the strike in an attempt to force early elections under a neutral caretaker administration.

North Korea Cooperating, UN Says

VIENNA (Reuters) — North Korea is cooperating fully with the International Atomic Energy Agency over the freeze of its nuclear power industry, Hans Blix, head of the agency, said Thursday.

Mr. Blix said that talks between the UN agency and North Korean officials in Pyongyang had been constructive and that more negotiations were planned for January. North Korea, he said, had indicated its willingness to consider additional inspectors and to facilitate the granting of visas.

TRAVEL UPDATE

Gales Blow In, Disrupting England

LONDON (Reuters) — Gales lashed Britain Thursday, disrupting shipping, closing bridges and snapping off the top of the giant Christmas tree in Trafalgar Square in London.

After the mildest November recorded in Britain, winter struck with a vengeance. Cross-channel ferries to France were disrupted. The Severn Bridge leading into Wales was blocked after three trucks were blown over. Drivers were hit hard as storms knocked down trees, and torrential rain caused flooding in many areas. In London, the top snapped off the Christmas tree that is given to the British capital by the people of Norway each year.

Big Ben will be lit with energy-saving lamps for New Year's. Ray Powell, chairman of the House of Commons committee in charge of parliamentary buildings, said Thursday the work on the clock that towers over Parliament would take about three weeks and would save about £1,000 (\$1,600) a year. (Reuters)

Greece banned the use of mobile phones while driving because of a dramatic rise in accidents. Starting Monday, "anyone stopped for speaking on a mobile phone while driving will have to pay a 5,000 drachma fine on the spot," about \$21, a Public Order Ministry official said Thursday. (Reuters)

USAfrica Airways will add two more flights weekly from Johannesburg to Washington, bringing its weekly connections between South Africa and the United States to six. The airline, the only carrier to directly link South Africa and the United States, said the flights would begin next week, on Tuesdays and Thursdays. (AFP)

ask the butler...

Shannon Jones

Where service is anything you want it to be.

STING-AP-ORE

ENTERTAINMENT & LIFESTYLE SERVICES

Phone: (415) 777-0887 Fax: (415) 777-1077

INTERNATIONAL CLASSIFIED MARKETPLACE

- Monday: International Conferences and Seminars
- Tuesday: Education Directory
- Wednesday: Business Message Center
- Thursday: International Recruitment
- Friday: Real Estate Marketplace, Holidays and Travel
- Saturday: Arts and Antiques

Plus over 300 headlines in International Classified Monday through Saturday

For further information, contact Philip Orna in Paris: Tel: (33-1) 46 37 94 74 - Fax: (33-1) 46 37 52 12

Herald Tribune

Published with the New York Times and the Washington Post

Bossa Nova's Antonio Jobim Is Dead at 67

NEW YORK — Antonio Carlos Jobim, 67, the Brazilian bossa nova composer whose song "The Girl From Ipanema" is a classic of the genre, died of heart failure Thursday at a New York hospital.

Mr. Jobim, Brazil's most prominent songwriter, was among the composers who developed the bossa nova sound in the early 1960s. "The Girl From Ipanema," which

charmed the world with its sensual rhythm and romantic lyrics, earned him and the saxophonist Stan Getz four Grammy awards.

Mr. Jobim also wrote hits such as "Desafinado," "One Note Samba," "Waters of March," and "How Insensitive."

He also recorded with such stars as Frank Sinatra and the British singer Sting. In the late 1950s, Mr. Jobim helped write the music for the French film "Black Orpheus," which won an Academy Award as best foreign film in 1959.

Then, Mr. Jobim met João Gilberto, who was in the process of inventing the bossa nova, as the mixture of samba and jazz came to be called. They began to collaborate.

(Reuters, AP)

Edward Madigan, 58, Chief of Agriculture Under Bush SPRINGFIELD, Illinois (AP) — Edward Madigan, 58, secretary of agriculture in the Bush administration and a 10-term congressman from central Illinois, died Wednesday.

He was diagnosed with lung cancer earlier this year and was hospitalized last week.

Mr. Madigan, a moderate Republican from Lincoln, was elected to the House in 1972. He lost his bid in 1989 for Republican whip to Newt Gingrich of Georgia.

Enrique Lister, 87, General Of Republican Spain in War MADRID (AP) — Enrique Lister, 87, one of the most noted Republican generals of the Spanish Civil War and a former Communist Party leader, died Thursday.

After the Republic's defeat in 1939, Mr. Lister left for the former Soviet Union, of which he became a citizen. There, he continued his military career, fighting in the Soviet, Polish and Yugoslav armies during World War II.

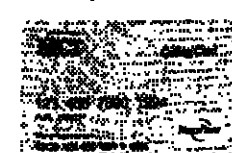
Alun Owen, 69, Who Wrote Screenplay for Beatles Film

LONDON (AP) — Alun Owen, 69, Oscar-nominated screenwriter for the Beatles' film "A Hard Day's Night," died Tuesday, said his agent, Felix De Wolfe. The cause of death was not announced.

Anthony A. Benis, 93, a banker, financial consultant and collector of fine watches who served as a consultant to the Metropolitan Museum of Art and Rolex Corp., died of heart failure on Nov. 28 in New York.

To call from country to country, or to the U.S., dial the WorldPhone® number of the country you're calling from.

Antigua (Available from public card phones only)	Denmark/CC	8001-0022	Iceland	999-002	Nicaragua/CC	Spain/CC	900-99-0014
Argentina	001-800-333-1111	Dominican Republic	1-800-751-6824	Iran	(Special Phones Only)	Sweden/CC	020-735-822
Australia/CC	022-903-012	Ecuador	1-800-55-1001	Ireland/CC	177-150-2727	Switzerland/CC	155-0222
Bahamas	1-800-624-1000	Egypt/CC	355-9770	Israel/CC	172-1022	Syria/CC	0800
Belize	800-002	(Outside of Cairo, dial 02 first.)	355-9770	Italy/CC	800-674-7000	Taiwan/CC	00-800-1177
Belgium/CC	0800-10012	El Salvador	9800-102-80	Jamaica	0800-0112	Tanzania/CC	810-013
Bermuda	1-800-623-0484	Finland/CC	197-80-19	Kenya	0800-0112	Togo	00-800-1177
Bolivia	0-800-2222	France/CC	01-90-19	(Available from most major cities.)	0800-0112	Turkey	00-800-1177
Brazil	000-8012	Germany/CC	0130-0012	Lebanon/CC	800-MCH(800-624)	Ukraine	00-800-1177
Canada/CC	1-800-980-9100	(Limited availability in eastern Germany.)	0130-0012	Libania/CC	600-624	United Arab Emirates	00-800-1177
Cayman Islands	1-800-824-1000	Great Britain/CC	00-800-1211	Liechtenstein/CC	475-0364	United Kingdom/CC	00-800-1177
Chile/CC	007-0318	Greece/CC	1-800-624-5721	Luxembourg	155-0222	USA/CC	00-800-1177
Colombia/CC	980-16-0001	Guatemala/CC	007-0318	Mexico	95-800-674-7000	Uruguay/CC	0500-800-800
Costa Rica	080-90000	Haiti/CC	162	Monaco/CC	157-00-19	USA/CC	000-412
Cyprus	080-90000	Honduras/CC	001-800-674-7000	Netherlands/CC	05-022-81-22	USA/CC	1-800-800-800
Czech Republic/CC	00-42-000112	Hungary/CC	007-800-01411	Netherlands/CC	001-800-950-1022	Vatican City/CC	172-1022
				Netherlands/CC	001-800-950-1022	Venezuela/CC	800-1114-0



Use your MCI Card® local telephone card or call collect...all at the same low rates. (CC) Country-to-country calling available. May not be available to certain international locations. Certain restrictions apply. + Limited availability. * Not for second dial tone. A. Available from LADATEL public phones only. Rate depends on call origin in Mexico. † International communications carrier. ‡ Not available from public pay phones. § Public phones may require deposit of coin or phone card for dial tone.

WorldPhone Let It Take You Around the World.

THE AMERICAS /

★POLITICAL NOTES★

Clinton Ex-Partner May Be Indicted Soon

LITTLE ROCK, Arkansas — A lawyer for President Bill Clinton's former business partner, James B. McDougal, said he had been notified that Mr. McDougal was a target of the Whitewater inquiry and he believed that the independent counsel Kenneth W. Starr was nearing an indictment of the former owner of Madison Guaranty Savings & Loan.

The attorney, Sam Heuser, said that Mr. McDougal, the Clintons' former partner in the Whitewater real estate venture, had been notified that he was officially a target of Mr. Starr's inquiry. Such letters are commonly sent by prosecutors preparing to seek a grand jury indictment.

An indictment of Mr. McDougal would be the next major step in what has emerged as a careful prosecution strategy as Mr. Starr develops a case that has grown from an investigation of a failed Arkansas savings and loan to an investigation of possible misconduct at high levels of government.

Mr. Starr has now announced two plea agreements, one with Webster L. Hubbell, a close friend of the president's and former associate attorney general, and another with a savings and loan real estate appraiser. It is unclear how the plea agreements will affect the Clintons. So far, there is no direct evidence of wrongdoing on their part. (HP)

Texas Republican Sets Presidential Bid

ATLANTA — Senator Phil Gramm said Thursday he would open his campaign for president on Feb. 24, just before setting off on a tour of states due to hold early primary elections.

The Texas Republican is the first among about a dozen prospective Republican presidential candidates to announce a firm date for his declaration. (Reuters)

North Vows to Run Again but Not in 1996

WASHINGTON — A month after he lost in the Virginia Senate race to Charles S. Robb, the Democratic incumbent, Oliver L. North said that he did not intend to run for any office in 1996.

"There is a time and place for everything," he said in an interview with CNN. "And the time and place for Oliver North to run for office is not 1996 in Virginia." He added: "I do know I'll run again. But I don't know what the office is or if it's 1998."

Mr. North said he would turn his energies to raising money for his political action committee, V-PAC, campaigning for Republicans, devoting more time to his family and business and serving as host of a daily radio talk show. (NYT)

Did Gunman Mistake a Tourist for Clinton?

WASHINGTON — The Colorado man who opened fire at the White House on Oct. 29 believed he was shooting at President Clinton after having seen a gray-haired man walking in the compound, law-enforcement officials said.

The man, Dennis Basso, 40, of New York, who somewhat resembles Mr. Clinton, had just emerged from the White House as part of a private tour. He was thrown to the ground by Secret Service agents as Francisco M. Duran began firing with a semiautomatic assault rifle, said the federal officials, who spoke on the condition of anonymity.

Mr. Duran has been charged with attempting to assassinate the president. On Thursday, prosecutors filed four additional firearms charges against him. He pleaded not guilty. (NYT, Reuters)

Quote/Unquote

Representative Kweisi Mfume, Democrat of Maryland and chairman of the Congressional Black Caucus, the day after House Republicans voted to cut off funds for his and other caucuses: "We view yesterday's action by the Republican Conference as an assault on diversity in the Congress and an attempt to disempower communities through congressional ethnic and philosophical cleansing." (Reuters)

Leader of Mexican State Sworn In Amid Protest

The Associated Press

TUXTLA GUTIERREZ, Mexico — Amid threats of renewed insurrection and charges of vote fraud, the ruling party's candidate was sworn in Thursday as governor of Chiapas state in southern Mexico.

President Ernesto Zedillo Ponce de Leon and 200 lawmakers attended the inauguration of Eduardo Robledo Rincon at the National Theater. Security concerns led officials to move the ceremony there, several blocks away from the statehouse, where a crowd of Indian and peasant protesters swelled to 3,000 Thursday morning.

Hundreds of riot police, standing shoulder to shoulder, surrounded the protesters. Opponents had vowed to block Mr. Robledo's inauguration by force, but there was no violence.

The inauguration posed the first crisis for the week-old government of Mr. Zedillo, who has pledged to reform the political system. Mr. Zedillo's Institutional Revolutionary Party has governed Mexico for 65 years.

Indian rebels and the leftist opposition accuse Mr. Robledo of winning the Aug. 21 elections through fraud and say Amado Avendano Figueroa of the Democratic Revolutionary Party is the legitimate winner.

Official results gave Mr. Robledo 51 percent of the vote to 34 percent for Mr. Avendano.

The Zapatista National Liberation Army, one of the groups that opposes Mr. Robledo's inauguration, rebelled Jan. 1 to press for better living conditions for Indian peasants in Chiapas, Mexico's poorest state.

Federal Court Overturns Arizona Law on English

Los Angeles Times Service

LOS ANGELES — A federal appeals court has struck down an Arizona law that ordered state employees on government business to speak and write only in English.

In a 3-0 decision, the 9th U.S. Circuit Court of Appeals in San Francisco ruled that the statute, enacted into law by San Francisco voters as Article 28 of the state constitution in 1988, violates the U.S. Constitution's guarantees to freedom of speech.

"We recognize the importance of promoting democracy and national unity and encouraging common language as a means of encouraging such unity," Judge Stephen Reinhardt ruled Wednesday. "We cannot agree, however, that Article 28 is in any way a fair, effective, or appropriate means of promoting those interests."

Last June, the Supreme Court cleared the way for private employers to enforce English-only rules for their workers.

Republicans Dump Rule Book and Write a New One

By Michael Wines
New York Times Service

WASHINGTON — Ripping up the rulebook by which Democrats controlled the House of Representatives for 42 years, Republicans have offered a radical new one which, they promise, will make the unwieldy chamber smaller, more open and far more parsimonious.

The changes would dismantle three House committees and 25 subcommittees, eliminate 660 committee employees, end closed-door hearings and unrecorded committee votes, and require any tax increase to be voted by three-fifths of lawmakers rather than half.

The next House speaker, Newt Gingrich, said that the individual changes were, in a way, outweighed by

the collective message they send to the nation's angry electorate.

"The biggest thing felt beyond the Beltway is that we are doing real things," he said. "For the first time in many, many years, there is a political leadership that is doing after the election exactly what we said we were going to do before the election."

The changes announced on Wednesday still have to be approved by the full House, and some are sure to rattle those Republicans whose power and prestige will ebb as their committees shrink. But given Mr. Gingrich's hold on the new majority — a grip that would be further strengthened by the changes proposed — it seemed unlikely that much of the package would be rejected.

The next chairman of the Rules Committee, Representative Gerald B.H. Solomon of New York, said the proposals amounted to the farthest-reaching overhaul of House procedures since Congress passed its own reorganization law in 1946.

"This is what the American people have been calling for," he said. "We are going to try to restore this body to the once-proud body that it was in the eyes of the American people."

To do that, the Republicans propose to do away with a multitude of regulations and restrictions that have dictated, for better or worse, the basic functions of the lower chamber.

The most eye-catching of the proposals, affecting committee sizes and staff, were also part of the "Contract

With America" that was the House Republican campaign platform this fall.

A top aide to the House Democratic leadership, who spoke on condition of anonymity, said Wednesday that even Democrats were likely to vote for many of the changes.

The Republicans plan to abolish three panels — the Merchant Marine and Fisheries, Post Office and Civil Service, and the District of Columbia committees — giving their duties to existing committees.

As promised in their contract, they also propose to cut the overall staff of House committees from about 1,960 workers to about 1,300 next year.

They would also require committee

chairmen to eliminate 25 of the 120 or so existing subcommittees. But the committee changes go beyond simply streamlining the House's lawmaking authority. The new majority also proposed on Wednesday to limit the tenure of committee chairmen to no more than three House terms, or six years, dealing a serious blow to a seniority system that Democrats tried half-heartedly to dismantle in the late 1970s.

And the Republicans moved to further limit the power of committee chairmen by prohibiting several panels from claiming authority over important or politically popular bills. The effect would be to avoid logjams like the one over health-care legislation, when three House panels tried to write three separate and contradictory bills.

CIA Offers \$410,000 In Sexual Bias Suit

By Walter Pincus
Washington Post Service

WASHINGTON — The Central Intelligence Agency has agreed in principle to pay \$410,000 to settle a sex discrimination suit brought by a senior case officer who alleged her career was ruined after she reported a male subordinate for beating his wife.

The officer, a 24-year veteran who was CIA station chief in Jamaica from 1989 to 1991, alleged that the agency falsely accused her of being an alcoholic and seductress after she disciplined the wife-beater.

If the settlement receives final approval, the deal would avoid a trial in which the officer had planned to allege that alcohol abuse and promiscuity were widespread among the agency's officers. Her contention was that male CIA officers were not punished for engaging in such behavior, while she was censured by agency investigators based on false charges that she had done the same.

The lawsuit, along with the threat of a class-action discrimination suit by more than 100 of the agency's female case

officers, has brought additional bad publicity to the service, already in disrepute because of the spy Aldrich H. Ames.

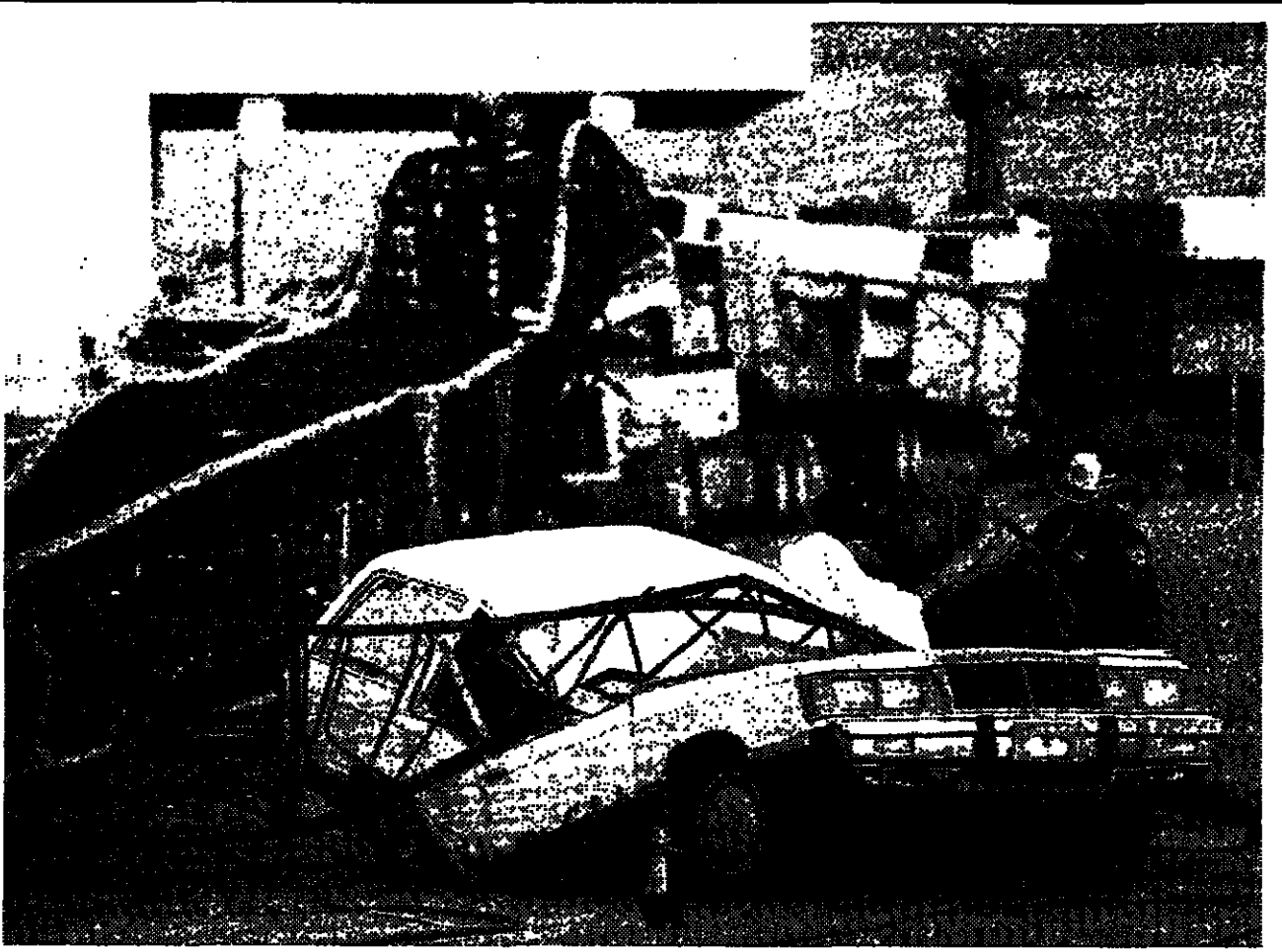
The woman has used the pseudonym "Jane Doe Thompson" in the lawsuit, filed in Alexandria, Virginia. In a statement released Thursday, the CIA director, R. James Woolsey Jr., said the settlement "does not concede the assertions of gender discrimination" that the woman made in her lawsuit.

"The goal was to achieve closure on Ms. Thompson's claims," the statement said, "and put this case behind us."

Mr. Woolsey said his "one overriding reason" for settling was his determination to "focus on the future, not on litigation based on events of several years ago."

He used similar language in his attempts in September to end public focus on the Ames case.

Before filing charges against her subordinate, the officer had an exemplary record and was one of the few women in the agency to become a chief of station.



Officials examining a car crushed by a crane that fell from the roof of a casino in Laughlin, Nevada, killing 3 people.

Away From Politics

- A federal judge in Eugene, Oregon, has blocked the country's first assisted suicide law, which allows doctors to prescribe lethal doses of drugs to terminally ill patients. (Reuters)
- Failures of design, construction and inspection caused more damage in the Los Angeles earthquake last January than building-code deficiencies, in many cases, engineers commissioned by the state of California have found. (LAT)
- Dengue fever is sweeping Puerto Rico in the worst epidemic of the mosquito-borne disease in the U.S. common-wealth's history. (AFP)
- The American Psychiatric Association has issued new guidelines for the best treatment of manic depression, emphasizing that the illness can be successfully treated with the right combination of drugs and psychotherapy but that it is often misdiagnosed and mistreated. Lithium remains the best basic treatment for most people, but the drugs valproate and carbamazepine are useful for about a third of patients. (NYT)
- Regency Cruises Inc. agreed to pay \$250,000 in fines after admitting that two of its ships dumped garbage-filled plastic bags in Florida waters last year. In addition, Regency agreed to run full-page advertisements in newspapers announcing its guilt. (AP)
- Two teenagers suspected of killing two security guards were captured near Lake of the Ozarks, Missouri, when law officers traced a phone call they had made to a relative. (AP)

Simpson Trial Nears End of Jury Selection

Compiled by Our Staff From Dispatches

LOS ANGELES — Closing in on the end of a two-month process, the judge and lawyers in the O.J. Simpson murder trial have completed their questioning of alternative juror candidates and begun weeding out the group of panelists who have come this far.

Two prospective alternative jurors were allowed to leave.

"This is for someone who doesn't have a life," a 53-year-old telephone company worker said after Superior Court Judge Lance A. Ito dismissed her. "I have a life."

The woman and another prospective alternative, who said he was unemployed, were dismissed after being questioned in Judge Ito's chambers. That left a pool of 40 under consideration for the 12 alternative positions. Attorneys were to start reducing that figure Thursday by exercising peremptory challenges.

The alternative jurors would be called into action if any of the panel's original 12 members were excused between now and the end of the trial.

There have already been indications that this may happen. Judge Ito has said allegations of misconduct might force the removal of one or more of the 12 jurors, who were sworn in a month ago. Misconduct can include anything from improper contact with attorneys to inadvertent exposure to publicity surrounding the case.

Three of the 12 members of the jury were questioned by the judge in private on Wednesday and told to return Thursday, when Judge Ito "will announce the status of the jury," said the main defense attorney, Robert L. Shapiro.

The jury now includes eight blacks, two Hispanics, one white and one person of mixed-race. Eight are women and four are men.

Back-Pain Sufferers Advised to Wait It Out

The Associated Press

WASHINGTON — Most people stricken by sudden, painful episodes of low back pain do not need surgery or diagnostic tests or treatments, a government-supported panel of experts reported Thursday.

The problem will go away spontaneously for 90 percent of sufferers within four weeks, the experts said. The best advice is to spend no more than three days in bed, take painkillers and start moderate exercise early.

Unique Hotel Opportunity Offered At The Heart Of Asia's Aviation Future

Invitation for Expressions of Interest to Develop a Hotel at Hong Kong's New Airport

The Provisional Airport Authority (PAA) is charged with developing Hong Kong's new airport. The PAA has identified a site of approximately 8,000 square metres adjacent to the Passenger Terminal Building for the development of the first hotel at one of the world's largest international airports. In addition, there may be an opportunity to develop a multi-storey car park on an adjoining site.

This opportunity will enable a developer to provide a hotel that, on airport opening, will serve a market estimated at 30 million passengers annually and an airport workforce of more than 30,000 employees.

The PAA is looking for an experienced developer to construct and operate the hotel. Parties interested in this opportunity can contact the PAA, in writing, for an Expressions of Interest document. Responses to the series of questions in this document will be used to draw up a short-list of developers. Responses must be received by 5:00pm on 12 January 1995 (Hong Kong time). To receive a copy of the Expressions of Interest document, contact:

Mr. Paul Hart, Commercial Manager- Real Estate
Provisional Airport Authority
25th Floor Central Plaza, 18 Harbour Road,
Wan Chai, HONG KONG

Telephone (852) 8247959 or fax (852) 8242786

Van Cleef & Arpels

PARIS, GENEVE, BRUXELLES, CANNES, MONTE CARLO, MILANO, ROMA, BEVERLY HILLS, HONOLULU, NEW YORK, PALM BEACH, OSAKA, TOKYO, HONG KONG, SEOUL, SINGAPORE

THE NEWSPAPER OF RECORD FOR THE INTERNATIONAL MUTUAL FUND INDUSTRY

Listings - Daily ★ Money Report - Weekly ★ Fund Performance Focus - Monthly

REACHING PERSONAL INVESTORS IN OVER 180 COUNTRIES

FORWARDED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Fewer Nuclear Weapons

With the recent securing of dozens of bombs' worth of uranium from Kazakhstan, Monday's signing by Ukraine of the Nuclear Nonproliferation Treaty and the belated entry into force of the 1991 Strategic Arms Reduction Treaty, President Bill Clinton has recorded three successes in stopping the spread of nuclear arms. But he will need cooperation from the Republican-controlled Congress if he is to deal with the dangers that remain: the vast nuclear stockpiles in the former Soviet Union, and the nuclear ambitions of smaller countries around the world.

There is a clear link between America's interest in curbing nuclear arms and its willingness to wind down its own nuclear programs. Failure to acknowledge that link could jeopardize the chances for an unlimited extension of the Nonproliferation Treaty when it comes up for review in mid-April. Unless the United States and other nuclear states do more to disarm, Mexico and others may withhold support. Further disarming would not only satisfy the holdouts but also dampen the ambitions of states that covet nuclear arms.

Mr. Clinton can provide direction by making the case to Congress that the fewer the warheads, the safer the United States. He should then seek deeper nuclear cuts with Moscow, a ban on tests and a halt in production of all nuclear material. As to Moscow, Mr. Clinton needs to persuade the Senate to ratify the 1992 Start-2 accord promptly and to propose new talks on further nuclear arms reductions. He could also make deeper cuts under Start-2, which fixed a ceiling on warheads of 3,000 to 3,500. Washington has no

military requirement for the higher number. With Senate backing, Mr. Clinton could now cut to 3,000 and show the world that the United States is ready for further disarmament. That would also make it easier for Russia's Parliament to ratify the accord and speed its scrapping of warheads, leaving it with fewer to safeguard and diminishing the risk of diversion to other countries.

Second, Mr. Clinton could stimulate efforts to negotiate a comprehensive test ban forbidding all nuclear blasts. Completing a draft text by spring would help assure overwhelming support for extension of the treaty. A global ban would also stigmatize any would-be nuclear state that tried to test.

Finally, the administration needs to broaden its approach to a worldwide ban on the production of plutonium and enriched uranium. Washington now wants to prohibit production of those materials for military use. That ignores large nonmilitary stocks of nuclear material, which are not well secured against theft and misuse. The ban's reach has to be extended.

An airtight ban on production should not arouse intense Republican opposition. The test ban also has had bipartisan backing. However, some Republicans oppose ratifying Start-2 and seeking further cuts in nuclear stockpiles — despite the military's backing for both. All three steps are needed to build support for an unlimited extension of the Nonproliferation Treaty. Better yet, they will make the United States more secure against the spread of nuclear arms.

—THE NEW YORK TIMES.

Caving In to Hamas?

The latest snag in Israeli-Palestinian talks is serious — serious enough to derail the talks. By the guiding Oslo accords, the Israelis were supposed to withdraw from "populated areas" in the West Bank so that Palestinian elections could proceed. But the Palestinian terrorist groups have taken a toll of Israeli lives, confidence and political will, and to PLO chairman Yasser Arafat's dismay, the Labor government is backing away from its withdrawal commitment on grounds that it would not be able to protect the Jewish West Bank settlers.

The resulting stalemate, of course, could have been expected. It is what Hamas has openly sought, and what Israeli, Palestinian and other partisans of peace have repeatedly warned against. The right response would have been for Israel to demand that the PLO tighten up its policing of Palestinian killers and for Palestinians to expect Israel to keep to its promise to peel back the occupation of the West Bank. That was the core bargain of Oslo, and difficult as it is to put into effect, there was and is nothing wrong with it.

What is wrong, however, is that the Clinton administration seems to have lost its nerve about implementing an agree-

ment of which it is the leading patron and a direct signatory. Oslo did not say that if one or the other side had trouble making good on its commitments, the United States would show an understanding of the political difficulties and allow delivery to lapse. On the contrary, Oslo said that everyone had to hold hands and make the tough decisions. Incredibly, this is the commitment that Warren Christopher now appears ready to breach.

Yes, it is painfully hard for Israel to keep dealing with one group of Palestinians while another group is murdering its citizens. But the PLO's own constituency — forget its critics for a moment — is already inclined to believe that the talks have brought only symbolic and insubstantial gains. For the Israelis to halt withdrawal is to pull the rug out from under the whole Arafat strategy of abandoning armed struggle and negotiating a settlement.

Is it really possible that Bill Clinton is going to cave to Hamas? If his administration cannot stay true to its own agreement, which it signed on the White House lawn and hailed as a premier achievement, then what can it be relied on to do?

—THE WASHINGTON POST.

Gingrich Cleans House

The speaker-designate, Newt Gingrich, must be given his due. Much of the House crystal that he has broken in his bullhorn passage to the leadership needed breaking. His basic reforms make sense. He has reduced the number of committees. He is on the right track, provided he really backs off from his self-serving plan to abolish the Ethics Committee. Similarly, the plans to limit chairmen to three terms and to end joint committee jurisdiction over important bills make sense.

These changes must still be approved by the full House. The Democrats will be smart to vote with him to show that they heard the voters' condemnation of their sluggish old leaders.

Mr. Gingrich's provocative decision to eliminate financing for 28 House caucuses is also winning votes from students of congressional influence-peddling. Notwithstanding the criticism — no doubt partly legitimate — that he is interested in weakening potential opposition from the black and women's caucuses, this is a refreshing move. Nothing will stop the Congressional Black Caucus, the Congressional Caucus for Women's Issues or any of the other caucuses that will lose space and funding from continuing to meet and share information.

Mr. Gingrich's decision faces up to a reality conveniently ignored by the Democrats when they were in power. Some of the caucuses, like the ones set up by the New York and Pennsylvania delegations to push their interests, simply have no rationale for existing at public expense. The Senate has no comparable organizations, and for good reason. As critics point out, the groups are manipulated by outside lobbyists, use public money with little or no account-

ability, underwrite wasteful trips and reinforce petty divisions.

There is one problem left behind from the removal of caucus funding. Many caucuses have close ties to companion nonprofit "foundations" or "institutes" that accept unlimited, undisclosed contributions from special interests and will now be even more eager to pass along benefits to the caucus members. Mr. Gingrich and his reformers need to tackle the admittedly difficult task of regulating this sophisticated system of buying influence.

But he has made a good start and deserves his moment of glowing for "doing after the election exactly what we said we were going to do before the election."

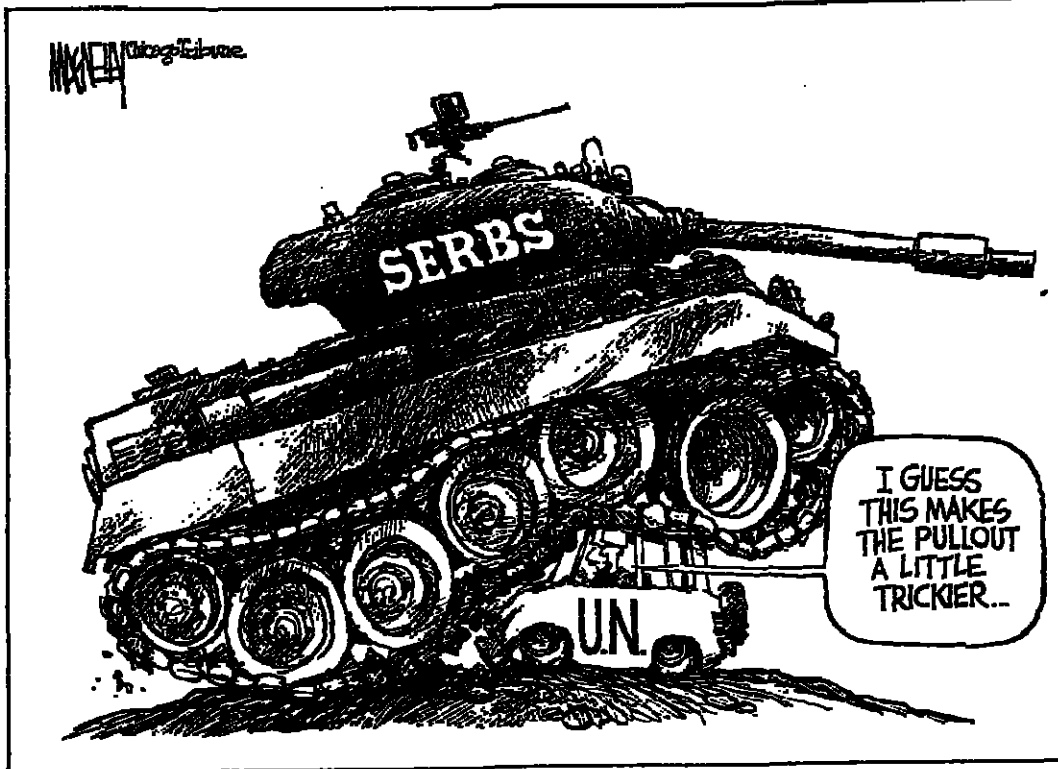
—THE NEW YORK TIMES.

Other Comment

The Clinton Roller Coaster

[President Bill Clinton's] foreign policy resembles a roller coaster ride, with breathtaking ups and downs. It is difficult even to remember all the oscillations of the Clinton pendulum. It went from an initial commitment to multilateralism, which means more loyal support for the United Nations, to the withdrawal of U.S. forces after the Somalia fiasco, to stop-and-go action in the Cuban and Haiti crises, to bold mobilization against Iraq. The record of Mr. Clinton's piquettes was demonstrated in his approach to Bosnia. American policy has undergone continuous sudden changes. For two years we have been wondering about the reasons for this inconsistency. Is he simply weak? If so, how could he have become president?

—Il Giorno (Milan).



Dengist China After Deng? Not Certain but Likely

By Zhang Weiwei

GENEVA — Amid all the uncertainty about Deng Xiaoping's succession, it is as well to look at things less speculative. The danger is to pay too much attention to signs of power struggle in Beijing and ignore something larger at work — the ideas that have shaped China's dramatic transformation.

Deng Xiaoping, the paramount leader, has never been known as an intellectual, yet his ideas have influenced China in the last 15 years more than any others. The recent publication of his works in China is a new attempt by Mr. Deng to influence China's future.

Stalinism crumbled after the dictator's death; Maoism did not outlive Mao. Will Dengism survive Deng? Let's simply assume that ideas which have transformed China so much in so short a time will have a bearing on

Pragmatism. For Mr. Deng, answers to China's problems cannot be read straight out of Marxist writings or Western classics. Reform policies should first allow for trial and error on a small scale, before being introduced on a larger scale.

Nationalism. More a nationalist than a Communist, Mr. Deng sets out long-term goals for China to restore past glory, catch up with the developed countries, and retain its identity as a major power. This identity will differ from both Western capitalism and Soviet communism.

Single-mindedness. He is not interested in ideological battle with the West. His approach is to mind China's own business, let economic performance speak and laugh last.

Despite its lack of intellectual structure, Mr. Deng's hybrid doctrine has largely shaped the course of China's successful economic reform. In a matter of 15 years, the economy has nearly quadrupled and living standards have tripled.

True, market-oriented development is in frequent conflict with professed moral and social goals. Gradualism wastes some good opportunities for reform. Authoritarianism reveals China's institutional weakness and the lack of respect for certain individual rights.

But Mr. Deng has lived long enough for his reform program to give most Chinese tangible benefits. And there is still one other credible model for a large country like China to move out of Stalinism. Russia's prolonged turbulence has rendered Deng-style gradualism more appealing.

Although Dengism has sharply curtailed pro-Western pressures for a multiparty system, it has increased elements of democracy and led gradually to informal liberalization of many aspects of China's social life, with unprecedented autonomy for local governments, firms, and rural and urban residents.

Compared with Maoism, Dengism seems to strike more strongly certain chords of common sense and Chinese culture. Market-oriented development has unleashed people's energy for prosperity. Nationalism has rekindled the dream of the Chinese modernizers for a strong and prosperous country. And authoritarianism, contentious as it is, is perhaps more typical than unusual in Chinese political culture.

China's social mood today is considerably different from 1989, when most Chinese intellectuals looked to Mikhail Gorbachev for inspiration. "Reform" and "reformers" have

Ukraine Between Russia And Western Comforts

By Flora Lewis

KIEV — The atmosphere, if not the living, has eased a bit since Leonid Kuchma became president of Ukraine last summer. There is no longer the taut sense that things could erupt any day.

A Western diplomat taunted me for taking a bleak view after my visit nearly a year ago. "How do you explain that there hasn't been a blowup?" Perhaps it is the stoicism, the patience, the resilience of the people, perhaps it is luck. The same question could be asked about Russia, where catastrophe has been expected at the onset of every winter for the last five years. It hasn't happened, although the danger hasn't disappeared.

Western strategists see the future of Ukraine as the key test of the kind of Russia the world will

have to deal with in coming years. Can Moscow really adjust to its sovereign independence?

If so, the prospects are fairly good for the kind of cooperative international relations that the end of the Cold War appeared to promise. If not, serious regression in Europe is likely, and the issue of NATO, which rolled Boris Yeltsin at the Budapest summit this week, will be acute.

Many people here say that they are surprised by Mr. Kuchma, and that the Russians are disappointed. On the basis of his election campaign, he was expected to be ultra-accommodating, even subservient. He hasn't been, although he has managed to smooth relations with a firm but nonprovocative style that makes the tough, outstanding issues a little less difficult to manage.

Before his election he had been a prime minister, and before that the director of a big missile factory — which, incidentally, is still making missiles. He is decisive, a relief for people who were coming to yearn for a strong leader in a large, extremely varied country of 53 million that seemed to be drifting precariously toward the rapids.

He is trim, redheaded and straight-spoken, capable of sharp, no-nonsense argument of the kind he used to drive a reluctant, divided Parliament to overwhelming endorsement of the nonproliferation treaty renouncing nuclear arms. It was signed at the Budapest meeting, with President Bill Clinton and President Yeltsin.

But there is still ambiguity about the security "assurances" (not guarantees) he was promised in return. That makes expansion of NATO a critical question.

The dominant view here is that extending the alliance to Poland, Hungary, the Czech Republic and Slovakia, as Washington favors, would isolate Ukraine and leave it for Russia to gobble up again. There is a counterargument, however, that having NATO on its western borders would bolster it and make it more nearly a part of the West's security concerns.

Barring dramatic changes, there isn't much chance that Ukrainians will get their wish to be promised admission to the alliance even in a decade. Meanwhile, officers are enthusiastic participants in NATO's Partnership for Peace, relishing the contacts and joint exercises it provides with Western military men.

Russia's unexpected, last-minute decision not to join the Partnership came as a shock. But it did show that critics who deride this halfway house as a futile, meaningless charade are wrong. It is producing practical achievements and it is taken seriously.

Mr. Yeltsin's harsh denunciation of any eastward extension of NATO and his refusal to allow any mention of Bosnia in the Budapest communiqué are signs of continuing development of Moscow's policy away from cooperation with the West and toward national self-assertion.

That indicates that it was a mistake not to make the commitment for eventual inclusion in the alliance to the four East European candidates earlier. It would be a bigger mistake to accept Russia's veto on it now.

If Moscow maintains the Gorbachev "new thinking" which accepts that you don't enhance your own security by making neighbors insecure, it should accept that it is better for these countries to be embraced in a defensive alliance than to be left in a frightening vacuum. If it doesn't, if it is reverting to its military's traditional view that you are stronger when neighbors are intimidated, Eastern Europe has reason to be worried, and so does the West.

It is in this context that Ukraine's relations with Russia are so critical. Good economic ties are necessary. Beyond that, how it deals with Kiev is a test of Moscow's intentions and political leaning. Ultimately, success or failure of economic recovery in both countries will be decisive for stability. Meanwhile, security remains a concern, and NATO is indispensable.

© Flora Lewis.

The writer is a research fellow of the Modern Asia Research Center, University of Geneva. He contributed this comment to the International Herald Tribune.

Anti-Government Libertarianism Spreads in America

By E. J. Dionne Jr.

WASHINGTON — The role of the religious right in the Republican Party during the Cold War. Now many Republicans are attracted to the libertarians' foreign policy vision, involving a minimum of American activism abroad.

The basic impulse of the libertarian was captured by Murray Rothbard, an economist and longtime libertarian activist. "If you wish to know how libertarians regard the State and any of its acts," he wrote, "simply think of the State as a criminal band, and all of the libertarian attitudes will logically fall into place."

One leading neo-libertarian Republican is Representative Dick Armey, elected this week as House majority leader. One of his illustrious heroes is Ludwig von Mises, a libertarian economist who believed that "perfect capitalism" is a system that was "never and nowhere completely tried or achieved" because most capitalist countries accepted a significant role for government.

Governor Bill Weld of Massachusetts is one of the party's most outspoken defenders of libertarianism, while Senator Phil Gramm of Texas leans toward libertarianism on many issues. One measure of libertarianism's rise is the growing role of the Washington-based Cato Institute as a generator of ideas that find their way into Republican legislative proposals and rhetoric. Cato, always an interesting place, but once marginal to Republican politics, is now approaching the older conservative think tanks — notably the American Enterprise

Institute and the Heritage Foundation — in influence. The emergence of the libertarian Republicans is the story of one of those quiet intellectual revolutions that can have enormous political impact. Libertarianism is attractive, especially to intellectuals, because of its rigor and consistency. Mr. Armey, for example, dislikes almost all government programs equally.

In electoral terms, it is attractive to those well-off professionals who have nothing in common with the religious right but would just like to be left alone. And its moral code — that everyone should be responsible for himself or herself and expect no help from the state, ever — has a certain clarity and finality.

The libertarians have also replaced the Marxists as the world's leading Utopia builders. That is because they can claim that their version of a world with almost no government has never been tried. Tearing down the state, they insist, will work wonders.

Libertarian Republicans may thus pose a far greater political and intellectual challenge to Democrats than either traditional conservatives or the religious right. But libertarianism's seductiveness needs to be confronted, because, like all Utopians, the libertarians ignore some messy realities.

For example, the libertarian notion that all individuals are entirely responsible for themselves is morally appealing as an ethic for each adult, but people don't enter the world as adults. They arrive as dependent infants, and in cases where families (or single parents) find themselves without resources — whether through their own fault or not — the infants involved may suffer in ways that make it difficult for them ever to become responsible adults.

That is why the initial impulse behind the welfare state grew from a desire to help orphans, poor children and mothers. The current welfare state may be broken, but sweeping it away won't make the problems it's trying to solve disappear. Similarly, the

market does many things well, but its workings did not lead automatically to a clean environment, which is why environmental regulations exist; or to full employment, which is why unemployment compensation exists; or to universal education, which is why public schools exist; or to decent pensions, which is why Social Security exists.

These are the sorts of basic arguments that the current anti-government mood will call forth in the coming months. The libertarians do everyone a favor by forcing this kind of ground zero debate and by pushing supporters of active government toward less intrusive and less bureaucratic uses of state power.

But the rest of us will do the libertarians a favor by preventing them from enacting their Utopia. Because if the libertarians ever get all that they want, the results will almost certainly discredit their faith that something called "perfect capitalism" either can or should exist.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: The Rolling Boat

PARIS — A most interesting and valuable invention, which seems likely to revolutionize shipbuilding, has been made by M. Bazin, the French engineer. While yachtsmen are studying how best to cut through water with the least possible friction, M. Bazin says: "In order to minimize friction in the greatest degree possible we must not cut through the water at all, we must roll over it." This is M. Bazin's invention — a means of realizing the theory of rolling over water. Besides the extraordinary speed that he expects it will attain, another merit for his "bateau rouleux" is that it will be more economical. If M. Bazin's arguments are proved to be sound, it will become as cheap to go from Europe to America as it is now to go from Paris to London. The effects of such an advance in civilization will be enormous.

1919: A 'Wet' Christmas?

NEW YORK — Distillers and brewers are holding large reserve stocks of whiskey and beer on board railroad cars, hoping that when the United States Supreme Court reconvenes, in two weeks, it will declare war-time prohibition unconstitutional. In this event they will do their utmost to give the country a "wet" Christmas.

1944: For 60 Million Jobs

NEW YORK — [From our New York edition:] Vastly increased markets for the industrial production of the United States will be needed, and must be found through foreign investment and trade, if President Roosevelt's goal of 60,000,000 post-war jobs is to be realized. Dean Acheson, Assistant Secretary of State, told the National Association of Manufacturers yesterday [Dec. 8].

International Herald Tribune
ESTABLISHED 1857
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairman
RICHARD McCLEAN, Publisher & Chief Executive
JOHN VINOCUR, Executive Editor & Vice President
• WALTER WELLS, News Editor • SAMUEL ABT, KATHERINE KNORR and
CHARLES MITCHELMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor
• ROBERT J. DONAHUE, Editor of the Editorial Pages • JONATHAN GAGE, Business and Finance Editor
• RENÉ BONDY, Deputy Publisher • JAMES MCLEOD, Advertising Director
• JUANITA CASPARI, International Development Director • ROBERT FARRÉ, Circulation Director, Europe
Directeur de la Publication: Richard D. Simmons
Directeur Adjoint de la Publication: Katharine P. Darrow

11 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 46 37 93 00. Fax: (1) 46 37 06 51. Adv.: 46 37 52 12. Internet: IHT@eurcom.ie

Editor for Asia: Michael Richardson, 50 Canterbury Rd., Singapore 0511. Tel: (65) 472-7768. Fax: (65) 274-2334
Mng. Dir. Asia: Rolf D. Krampehl, 50 Canterbury Rd., Hong Kong. Tel: (852) 9222-1188. Fax: (852) 9222-1190.
Gen. Mgr. Germany: T. Schuler, Friedhofstr. 15, 68223 Frankfurt. Tel: (49) 72 67 55. Fax: (49) 72 73 10
Pres. U.S.: Michael Cunniff, 150 Third Ave., New York, N.Y. 10022. Tel: (212) 752-3800. Fax: (212) 755-8705
U.K. Advertising Office: 63 Long Acre, London WC2E 9LP. Tel: (071) 836-4802. Fax: (071) 240-2254
S.A. au capital de 1,200 000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
© 1994, International Herald Tribune. All rights reserved. ISSN: 0394-6822

—Tulsa (Oklahoma) World.

صكرمان الامل

OPINION

With Ross In and Jesse Out, Bill Might Stand a Chance

By William Safire

WASHINGTON — The latest Gallup Poll shows President Bill Clinton losing in a two-way race; even losing a three-way race with Ross Perot taking away Republican votes; and certainly losing a four-way race with Jesse Jackson cutting into Democratic support.

In one far-out scenario, Clintonians should be worrying about David.

supposes the same old lineup representing the forces of resentment.

But let's blue-sky the options opened by Democrats treating their president as an albino, and the Republicans not with ideological hubris.

First, the easy part. A month or so ago, Newt Gingrich was answering questions about running for president with a straightforward "no."

In political lingo, no plans means "my options are open and I can make plans in a hurry." If the speaker declares next summer that his first contract has been carried out and announcements for president, he can say he was not being disingenuous or misleading with his "no plans" statement because no plan was actually on paper at the time.

In reality, Newt and Bob Dole and Pete Wilson are neck-and-neck front-runners coming out of the starting gate for 1996, with Phil Gramm, Jack Kemp, Lamar Alexander and Dick Cheney hoping the early-footers will run out of steam.

Democrats afflicted with can't-win blues can expect a primary challenge to the president (assuming Mr. Clinton runs no matter what, which I do). The renegade will garner at least a third of the Democratic vote, as Patrick Buchanan did against President George Bush, further weakening the party in the general election.

Now comes the interesting part. If Ross Perot runs again, and matches his 1992 vote of 19 percent — and if Jesse Jackson or whoever carries the liberal banner can be persuaded not to run as an independent — then Mr. Clinton has a good chance to be re-elected, regardless of the latest polls. (Ross Perot is central to Mr. Clinton's chances; that is why Clintonites now group at Al Gore for whipping Mr. Perot in debate on the North

American Free Trade Agreement.) But consider this dynamically, rather than statically, as budgeteers say. With a Perot candidacy adjudged as likely to re-elect Mr. Clinton, and with the mad-as-hells to be doomed again to frustration, will Mr. Perot and his followers be content to circle the political drain again?

Not necessarily. Mr. Perot's personality is a drag on his ticket, and he may be cocky but he is not crazy: 19 percent is his high-water mark, and Ross cannot relish being remembered as the next Harold Stassen, running with greater futility every time.

That makes it Warwick time, as they used to say on the Elizabethan stage: Ross Perot as kingmaker, financier of a centrist changemaker, with solid anti-government credentials in government and acceptable to the respectable center.

If Republicans move sharply rightward with Mr. Gingrich or Mr. Gramm, or if the tug to starboard produces a more-right-wing Bob Dole or an "immigration Wilson"; and if Mr. Clinton's call to disaffected Democrats to stay "in the arena and not in the peanut gallery" keeps them in the liberal party tent; then a hole would open for a third-party movement to run to daylight.

But you can't beat somebody with nobody, as Warwick used to say, and you sure can't win with Ross Perot out front. Who's around?

The guy who worries the White House most in this far-out scenario is the respected anti-partisan David Boren, 52. He retired as a popular Democratic senator from Oklahoma before the recent tsunami, blasting the "wishful thinking ... that the current level of popular discontent is within normal bounds" and denouncing Washington politicians as "so partisan and so personal in their attacks on each other that we can no longer effectively work together in the public interest."

Because Ross Perot first tipped the media off that Mr. Boren would abandon musclebound Washington to head the University of Oklahoma, I called Mr. Boren to see if he would be running as an independent.

He said "not in 1996," allowed as how he hoped his good friend Ross would not head a third-party ticket himself, and speculated jovially about "somebody like Sam Nunn."

Pie in the blue sky? Probably. But a hole is opening in the anti-political spectrum; the glory of the American system is that you never can foretell.

The New York Times

He Lost Nothing in the Original

By Stuart E. Hample

NEW YORK — James Thurber was born 100 years ago Thursday, and thank God he came our way, for without him we would not have Mitty, would not have known what happened the night the bed fell or whether sex was necessary. Nor would we have encountered

MEANWHILE

the dogs, predatory women and cowed men he drew, unimpaired by the fact that in the land of anatomy he was without a map.

I personally would have missed (a) possibly meeting him and (b) actually meeting him.

Possibly meeting him: I was a Thurber devotee and brash young advertising writer in Buffalo in 1952 when I conceived a plan to engage the Great Man to illustrate ads as a way of getting to meet him.

I phoned Mr. Thurber, who agreed to illustrate a General Electric light bulb campaign if the client approved his fee.

Armed with Mr. Thurber's O.K., I implored the General Electric advertising manager to ratify the deal, which he agreed to do if Mr. Thurber would lower his price.

I called Mr. Thurber and said, "General Electric thinks you're a

little high." To which Mr. Thurber replied, "Tell General Electric I think he's a little high."

Actually meeting him: Two years later, I was promoted to the agency's New York headquarters, and, a little high myself, I phoned one of my few Manhattan acquaintances, a violinist, in quest of companionship. His wife, Vera, said he was off concentrating, but she was on her way to a birthday party and invited me along.

Just as Vera was introducing me to the honored guest, the harmonica virtuoso Larry Adler, the hostess abruptly swept her and Mr. Adler away, leaving me alone among a room of my betters, virtually all with famous faces.

I looked about for a haven, saw an empty place on a couch and sat beside a tall, tweedy man with pepper-and-salt mustache, rowdy white hair and thick glasses, who was nursing a glass of Scotch.

In a few moments, I realized it was James Thurber. I was enthralled but jumpy. If I spoke to him, would I be struck by a barb gone wild? His turning bellicose under the influence was document-

ed. But when would I have this chance again?

I told Mr. Thurber that I liked his work, and he introduced me to his wife, Helen, an attractive lantern-jawed woman, who watched over him in a motherly way. Emboldened by this opening, I chatted him up. Mr. Thurber looked directly at me when he spoke, so despite his magnifying lenses, I was unaware that he was blind.

He was unpretentious and anecdotal. My favorite was his tale of an American woman in Paris who told him that she had been reading translations of his stories and thought they were funnier in French, to which he replied, "They tend to lose something in the original."

I praised his cartoons, and he graciously drew one for me.

Able to see only light — he lost his left eye in a childhood accident, the other through progressive deterioration — Mr. Thurber fingered the edges of a small pad his wife provided to get a sense of his playing field, and then sketched a dog's head.

Helen Thurber added the eye and the nose.

Eventually, Mr. Adler went to the piano and played a respectable Bach — a surprise, for I knew of him only as a harmonica man.



'One night while doing the dishes ...'

Mr. Thurber suddenly stood up. "Stop the music!" he cried.

"Jamie, sit down," his wife whispered sternly.

"No," he replied, somehow finding his way to the piano, with the tumbler of Scotch. "I love music!" he shouted. "I always wanted to be a musician!"

Swaying slightly, he raised his glass and lamented that he was nothing but a humorist.

Nothing but? To his readers, that is more than enough.

Mr. Hample is a writer and cartoonist. He contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Bad and Worse in Bosnia

George Kenney's piece, "End the Carnage in Bosnia, Even on Unfair Terms" (Opinion, Dec. 2) could not have been a more persuasive argument for appeasement.

Mr. Kenney contends that before the Bihac affair, Bosnian Serbs were "ready to sign a deal," one close to the plan designed by the five-nation contact group. There is absolutely no evidence to support this statement. The contact group and its members have presented the Bosnian Serbs with one partition plan after another but without any basis to believe that the latter would abide by a permanent cease-fire.

After the recent events, can Mr. Kenney honestly dismiss the conflict as a civil war?

To label the Bosnian government as anti-democratic illustrates a selective bias. In spite of the war, the Bosnian Parliament has continued to exercise its rights without undue interference. President Alija Izetbegovic has never declared a state of martial law. He has never suspended Parliament. There is considerable

diversity of opinion both in Parliament and in the press.

Mr. Kenney's comment that "good is the enemy of the least bad" is a poor attempt to compromise on human rights and international law for an unjust and uncertain peace. Some absolutes of conduct do apply: Genocide is among the worst of all crimes. It can never be good.

BRAD K. BLITZ, London.

A Prague Clean-Up

Regarding the report "New East Europe Wheezes, Its Old Pollution Woes Unchecked" (Nov. 4):

This article states that the Czech Republic has allowed the Czech environment to decay, when the opposite is true. Czech government commitment to cleaning up the environment has been substantial.

Following the collapse of communism, the Czech government decided that a market system based on private ownership and on a deregulated price system was the best ecological policy. Only private ownership creates responsibility on the

part of owners. Only prices, reflecting real market relations, provide us with sufficient fundamental information about scarcity. That has meant more than just throwing a lot of money at the problem.

Even so, since 1989 the government's investment in the environment has been increasing. In 1989, 3.6 billion koruna (0.69 percent of GDP) was invested in the environment. By 1993, 19.9 billion koruna (2.15 percent of GDP) was invested — and this at a time when overall government spending was reduced by about 50 percent in real terms.

Emission of pollutants has declined in the Czech Republic since the revolution. Of major types of pollutants, only emissions of carbon monoxide rose from 1989 to 1992, while others declined.

Finally, the health of the nation, in part as a result of the pollution reduction, is improving. Czechs are living, on average, a year longer in 1993 than they did in 1989.

CHARLES KULP, Adviser to the Economy Minister, Prague.

Of Philosophers and Kings

Regarding "Beware This Resurgence of the Philosopher King" (Opinion, Nov. 30) by Brent Staples:

Mr. Staples insists that Leo Strauss advocated rule by "philosopher kings," "himself included." In fact Mr. Strauss never claimed to be a philosopher, reserving that term for thinkers of the stature of Plato and Hegel. What is more, he was notorious for arguing in his book "The City and Man" that Plato had not offered the philosopher kings as a serious political proposal, philosophy and rule being activities so disparate that no philosopher would wish to combine the two.

Mr. Staples claims that Mr. Strauss was "unapologetically elitist."

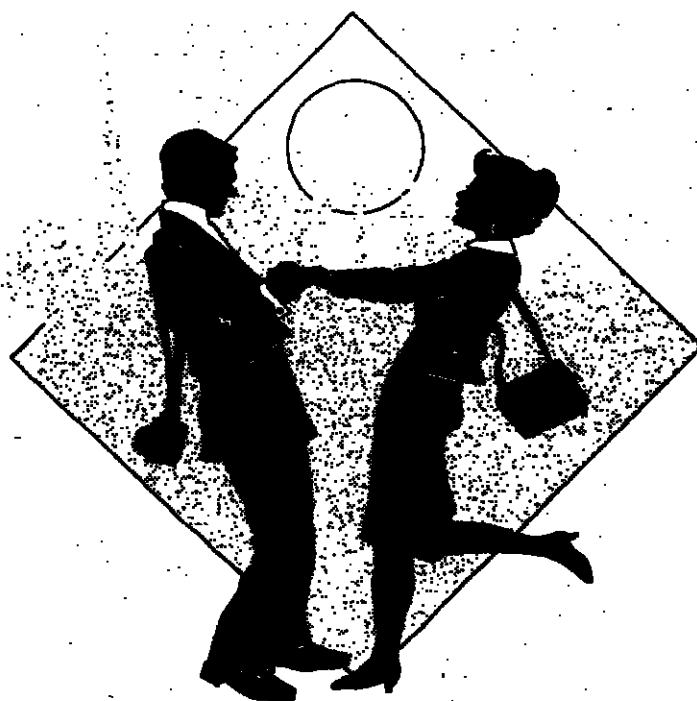
Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

and anti-democratic." Mr. Strauss was not anti-democratic but a lifelong unapologetic defender of liberal democracy against the twin perils of fascism and communism. He was indeed "elitist" in arguing that we stood to learn from the thought of those greater than ourselves. He did not prescribe this education for the "golden few" but for all who wished to educate themselves.

Mr. Strauss's classes were always open to whoever wished to attend them, regardless of whether they could afford to enroll in them. Accordingly, he drew a large crowd of the most varied type imaginable, although awfully thin on the "conservative elite" whom Mr. Staples imagines as his students. I am in a position to know, because I was one of the many auditors who benefited.

Leo Strauss also wrote, quite modestly, that as a teacher, "one should always assume that there is one silent student in your class who is by far superior to you in head and heart."

CLIFFORD ORWIN, Toronto.



The International Herald Tribune and Hilton International combine two great offers to bring you one incredible deal.

You couldn't pick a better time to begin reading the International Herald Tribune every day. Because from now until April 17, 1995, when you subscribe to the IHT, you'll be getting the world's most comprehensive global newspaper at a saving of up to 47% off the cover price. That means a bonus of up to 52 free issues!

What's more, as a subscriber to the IHT, you'll receive a special "2 for 1" weekend offer at Hilton International hotels in 27 exciting cities including Paris, Munich, Amsterdam and Rome and even as far afield as Istanbul, Cairo and Cyprus.

With this offer, guests can spend two weekend nights at participating Hilton International hotels for the price of a single night including full buffet breakfast, service and tax.

And, as a new subscriber to the IHT, you'll receive a bottle of wine in your room as a special thank-you.

So send in your coupon today and discover Europe with Hilton International and the IHT — at incredible savings.

International Herald Tribune

This offer expires April 17, 1995 and is available to new subscribers only.

Subscription Rates & Savings off HT cover price.				
Country/Currency	12 months + 2 months FREE	6 months + 1 month FREE	3 months + 1 month FREE	1 month FREE
Austria A.Sch.	6,000	37	3,300	
Belgium B.Fr.	14,000	36	7,700	
Denmark D.Kr.	3,400	33	1,900	
Finland F.M.	2,400	40	1,300	
France F.F.	1,950	40	1,070	
Germany D.M.	700	32	385	
Great Britain £	210	32	115	
Greece Dr.	75,000	26	41,000	
Ireland Ir£	230	37	125	
Italy Lire	470,000	50	275,000	
Luxembourg L.Fr.	14,000	36	7,700	
Netherlands Fl.	770	40	420	
Norway N.Kr.	3,500	36	1,900	
Portugal Esc.	47,000	39	26,000	
Spain Ptas.	48,000	34	26,500	
— hand deliv. Madrid Ptas.	55,000	24	27,500	
Sweden (airmail) S.Kr.	3,100	34	1,700	
— hand delivery S.Kr.	3,500	26	1,900	
Switzerland S.Fr.	610	44	335	
Rest of Europe ex CEI \$	485	—	265	
CEI, N. Africa, former French Africa, Middle East \$	630	—	345	
Gulf States, Asia, Central and South America \$	780	—	430	
Rest of Africa \$	900	—	485	

* For information concerning hand-delivery in major German cities call toll free IHT Germany at 0130-94 85 85 or fax (089) 175 413. Under German regulations, a 2-week free period is granted for all new orders.

☐ YES, please send me details of the special Hilton International "2 for 1" weekend offer.

☐ YES, I want one outstanding daily news source. This is the IHT subscription form I prefer (check appropriate boxes):

☐ 12 months (364 issues in all with 52 bonus issues).

☐ 6 months (182 issues in all with 26 bonus issues).

☐ My check is enclosed (payable to the International Herald Tribune).

☐ Please charge my credit card account:

☐ American Express ☐ Diners Club ☐ VISA

☐ MasterCard ☐ Eurocard ☐ Access

Credit card charges will be made in French Francs of current exchange rates.

CARD NO. _____

EXP. DATE _____

SIGNATURE _____

FOR BUSINESS ORDERS, PLEASE INDICATE YOUR VAT NUMBER _____

(IHT VAT number: FR47320211261)

☐ Mr. ☐ Mrs. ☐ Miss FAMILY NAME _____

FIRST NAME _____

PERMANENT ADDRESS: ☐ HOME ☐ BUSINESS _____

CITY/CODE _____

COUNTRY _____

TEL. _____ FAX _____

Return your completed coupon to: Subscription Manager, IHT, 181 Avenue Charles-de-Gaulle, 92221 Neuilly Cedex, France. Fax: 33.1.46.37.06.51 - Tel: 33.1.46.37.93.61

Private banking for investors with the value of time on their minds.



Even the most successful people will never fit more than 24 hours into a day. Our purpose is to dedicate the time which you cannot afford yourself, to manage and enhance your wealth.

We will develop and execute an active wealth management strategy for you, based on a close understanding of your current position and your future objectives. To do so, we draw upon a breadth of expertise in investment instruments within both developed and emerging markets, and in trust and personal company structuring.

And ING Bank has the network to make global relationship management a reality. The Dutch have a long international trading history so, as you might expect, you will find us with more than 70 offices in over 40 countries with private banking and trust specialists in Latin America, Europe and the Far East.

For further information or details of our network, please contact: ING Bank International Private Banking in Geneva, telecopier 41.22.311.1975, telephone 41.22.311.6333.

Internationale Nederlanden Bank

ING BANK

Worldwide Luxury Real Estate

FACING PARIS 16 Bordering the Seine in Neuilly



Seven townhouses, each different and unique, on the Ile de la Jatte in Neuilly. Riverfront terraces and gardens. Some with indoor pool. From 350 sq.m. to 500 sq.m. plus two individual basement garages and private elevator stopping at every floor.

Tel.: (1) 41.05.30.30 - Fax: (1) 41.05.32.80
75835 Paris Cedex 17



This is a sample of a typical chalet offered by Swiss Real Estate



Please contact Sam Krahenbuhl for further information and visit.

SWISS REAL ESTATE

A DIVISION OF
CREATIVE MARKETING GROUP SA

Centre Cité 90-92, Grand Rue - 1820 Montreux, Switzerland
Tel. (41) 21 962 8000 - Fax (41) 21 962 8019

Dynamic professional team specializing in sales of top quality apartments and chalets from Lake Geneva to Montreux and the mountain resorts of Villars, Verbier, Crans, Cstaad Valley and more. A total service including meet and greet at arrival airport, personalized tour of properties, translation, advice on mortgages, taxation and domiciliation, top schools guide and much more. Call or fax us now for full details.

1038 FAST FACTS SERVICE

PARIS 16 Between Trocadero and the Place Victor-Hugo 43, Avenue Raymond-Poincaré

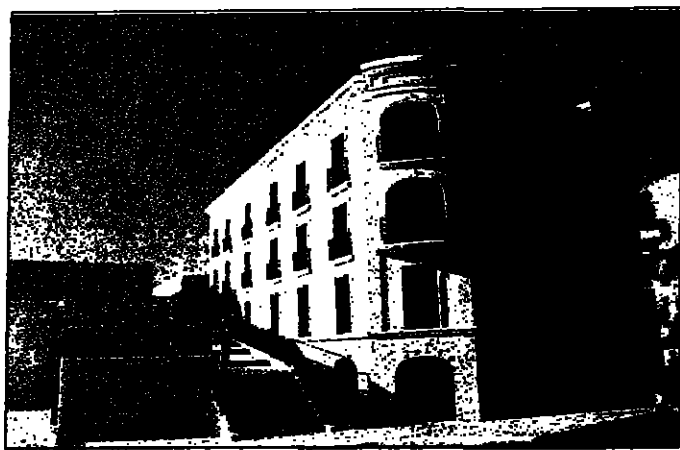


A prestigious building with a rare address offering only 20 apartments from studio to 5-room. Freestone façade, luxurious fittings.

Tel.: (1) 41.05.30.30 - Fax: (1) 41.05.32.80
75835 Paris Cedex 17

MONTE-CARLO CARRE D'OR

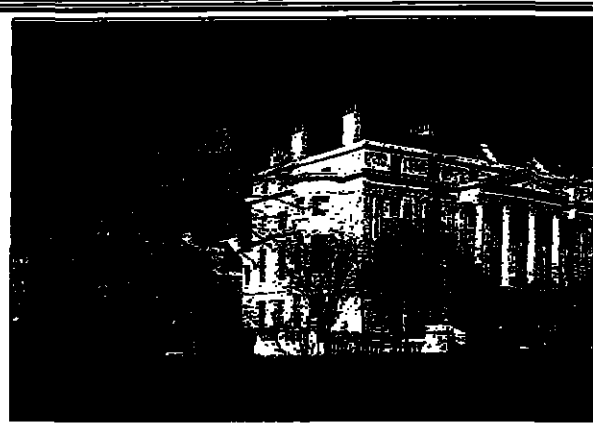
BUY YOUR OWN BUILDING CLOSE TO THE CASINO



"Belle Epoque" style Building to be constructed. Prestigious offices: 1,335 sq.m. on 4 levels.



Tel.: 93.25.50.25 - Fax: 93.50.95.81
5 bis, Av. Princesse-Alice, MC 98000 MONACO



CUMBERLAND PLACE, REGENT'S PARK, LONDON, NW1

A magnificent Grade I listed Nash house occupying a bold corner position with superb aspects over Regent's Park. This newly renovated residence of approx. 9,300 sq.ft. (gross) features outstanding reception areas, large terrace and an indoor swimming pool.

SOLE AGENTS



LEASE OF 71 YEARS
PRICE: £4.95 MILLION

35-37 DAVIES STREET, MAYFAIR,
LONDON W1Y 7FN. FAX: +44 0171 491 8171
+ 44 0171 499 3434

BY INVITATION ONLY

"42, LA CROISSETTE"

In Cannes, between the Carlton and the Palais des Festivals, the most beautiful address on the French Riviera is now for sale. A new



building of such quality and luxury that potential buyers are truly limited to a very select few. If you are among them, please contact us rapidly.

John Taylor - 55, La Croisette - 06400 Cannes (France)
Tél.: (33) 93 38 00 66 - Fax: (33) 93 39 13 65



HAMPSTEAD, LONDON, NW3

Arguably one of the finest houses in Hampstead, a magnificent "mini Estate" of historic interest set in secluded grounds of about three-quarters of an acre with swimming pool and staff lodge. The property occupies a prime site at the summit of the village abutting Hampstead Heath.

JOINT SOLE AGENTS



FREEHOLD PRICE ON APPLICATION

35-37 DAVIES STREET, MAYFAIR,
LONDON W1Y 7FN. FAX: +44 0171 491 8171
+ 44 0171 499 3434



EXCEPTIONAL

Directly on the Champ de Mars

Turn-of-the-century townhouse in mint condition with exquisite view of the Eiffel Tower. About 500 sq.m. living space, 240 sq.m. garden, extremely elegant interior decoration.

Contact:

SOTHEBY'S
INTERNATIONAL REALTY

34-35, New Bond St., London W1A 2AA
Tel.: 071-408 5196
Fax: 071-408 5949

For enquiries in Paris, please contact:

Donelle HIGGINS
Tel.: (33) 1 - 42.66.40.60
Fax: (33) 1 - 42.22.32

FEAU
Saint Germain des Prés

CONSEIL IMMOBILIER

Philippe CHEVALIER
Tel.: (33) 1 - 44.07.30.00
Fax: (33) 1 - 44.07.31.15

Last of the Great Moorish Palaces

Granada, Spain.

A rare opportunity

to purchase one of

the great Moorish

palaces. This

Granada landmark

has been lovingly

restored by one of

the world's great

architects for his

own personal

palace. This

extraordinary

property is

completely enclosed

with a high wall

and was designed

for grand scale

entertaining with 4

large entertaining

rooms, 2 kitchens,

office, 10 bedroom

suites plus servants

quarters. Excellent

weather, 350 days

of sun per year,

only 1 hour from

famous summer

resorts at the coast

and the Sierra Nevada

mountains, offering

world class skiing.

\$3,200,000.



HOFFMAN REALTY INTERNATIONAL
Dallas, Texas. Tel.: 214-698-1736 - Fax: 214-823-2350 USA
London, England Tel.: 44-81-905-2010.

St. Tropez



Directly overlooking

Pampelonne Bay with

uninterrupted sea

view from the St. Tropez

Peninsula to Cap

Camarat.

This exceptional sea

front property stands

on a rise just 300

metres back from the beach. Main hard construction only is complete and this is your unique opportunity to ensure that the final product is exactly to your requirements.

The property includes 600 m2 of built up area with a giant mirror pool and pool-house.

Detailed project available upon request from principals only.

Tel.: (33) 92053295
Fax: (33) 92057270



PARIS - FACING NOTRE-DAME 17, Quai de Montebello



3 new high class apartments offer this unique view of Notre-Dame, the quays of the Seine, and from the duplex penthouse with terrace, a panorama on all of Paris. Basement parking. On-site sales office.



Tel.: (1) 41.05.30.30 - Fax: (1) 41.05.32.80
75835 Paris Cedex 17

THE WHITE HOUSE

Property, known as the "White House"

is now for sale in Kampen

on the beautiful island of Sylt.

A unique property which was built

in the 18th century

to the highest architectural standards.

This most charming and comfortable home

approx. 200 sq.m., also known as the

"Captain's House" has been exquisitely

renovated and offers 2 spacious living rooms

which include 2 magnificent fireplaces,

5-6 bedrooms, a library and much more,

plus 1,200 sq.m. of beautiful garden.

The island of Sylt is located in the northern part

of GERMANY and received its reputation

from the "rich and famous"

(who live and visit there).

Price 8 million DM

Please contact:

HEINRICH HAASE KG, IMMOBILIEN

Paulstraße 5a + 5b - 25980 Westerland, Germany

Tel.: + 49 - 4631/1078, Fax: + 49 - 4631/2 20 26

English inquiries: Tel.: 0172 - 839 75 15

"The Best of Paris" 14, boulevard des Invalides PARIS 7eme



Superb luxury apartments with garden or terraces

at the heart of the prestigious 7th arrondissement close to the Seine, Montparnasse and St-Germain-des-Prés,

offering modern standard of comfort in a charming building.



33 (1) 45.53.44.00

59, av. Georges MANDEL - 75116 PARIS

صكيات الامم

THE ARTS GUIDE

AUSTRIA

Vienna
Kunsthof, tel: (1) 52177-404, open daily. Continuing/To Jan. 29: "Agyptomanie: Ägypten und das Abendland." Documents the influence of Egyptian art on 18th- and 19th-century European art and design.

BRITAIN

Edinburgh
Scottish National Portrait Gallery, tel: (31) 332-2266, open daily. To Feb. 26: "Sir James Gurney." Features formal and intimate portraits, as well as sketches of beach scenes and contemporary life by the Glaswegian artist, painted from the 1930s to the 1960s.

London

British Museum, tel: (71) 323-8525, open daily. To Feb. 26: "Time Machine: Ancient Egypt and Contemporary Art." Demonstrates how ancient Egyptian art inspires artists in a continuity of ideas and expressions, through specially created works of art by 12 contemporary artists.

CZECH REPUBLIC

Prague
Wallerstein Riding School, tel: (2) 53-68-14, closed Mondays. To March 1995: "Antonín Chyba." Features the works of the 19th-century Czech landscape painter, Chyba, who turned to landscape while in Paris.

FINLAND

Helsinki
Museum of Foreign Art, tel: (0) 17-33-61, closed Tuesdays. To Jan. 8: "The Bear King of Helsinki, The Czars' Personal Physician and Dutch Old Masters." Dutch and Flemish paintings from the collections of tycoon Paul Sineyboroff and physician Carl von Haartman. Includes works by Abraham de Vries and Cornelis de Vos, among others.

CLOSING SOON

On Dec. 11: "A Bitter Truth: Avant-Garde Art and The Great War." Barbican Art Gallery, London.
On Dec. 14: "The Glory of Venice: Art in the 18th Century." Royal Academy of Arts, London.
On Dec. 11: "Les Angles à Paris au XIXe Siècle." Musée Carnavalet, Paris.
On Dec. 12: "Fernand Léger Photographie." Musée National Fernand Léger, Biot, France.
On Dec. 12: "Max Jacob et Picasso." Musée Picasso, Paris.
On Dec. 11: "Impressionism & Neo-Impressionism: Donne e Passaggi dal Petit Palais di Genova." Museo Correr, Venice.



1926 photograph by Shinzo Fukuhara, shown in Paris.

FRANCE

Paris
Centre Georges Pompidou, tel: (1) 44-78-40-88, closed Tuesdays. Continuing/To Feb. 20: "Kurt Schwitters." 300 paintings, collages, sculptures, typographical works and poems.

Germany

Cologne
Museum Ludwig, tel: (221) 221-2023, closed Mondays. To Jan. 8: "Yves Klein: Der Sprung ins Leere." Part I of the retrospective focuses on the emergence and development of the French artist's creative activities which lasted only eight years (1954-1962). Part II is in Düsseldorf.

Düsseldorf

Kunstmuseum Düsseldorf im Ehrenhof, tel: (211) 89-9-2460, closed Mondays. To March 19: "Die Sammlung Kahmüller: Von Gans, Braque, Léger und Klee bis Picasso." Works by 100 masters from the collection of Parisian art-dealer Daniel-Henry Kahmüller, best known for his close association with Picasso, Braque and Derain, among others.

Hamburg

Hamburger Kunsthalle, tel: (40) 24-86-26-12, closed Mondays. To Feb. 12: "Munch und Deutschland." From 1892 to 1906, the Norwegian artist lived mainly in Germany where he found his first patrons and collectors. In Berlin, he created large portions of the Frieze of Life. Also shown with the 170 works by Munch, a selection of German paintings of the late 19th century.

Munich

Bayerisches National Museum, tel: (89) 21124-1, closed Mondays. To Jan. 15: "Zierde Für Ewigkeit: Das Perikopenbuch Heinrichs II." The prayerbook that belonged to King Heinrich II is an example of 11th-century illuminations.

ITALY

Bologna
Galleria Comunale d'Arte Moderna, tel: (51) 50-28-59, closed Mondays. To Jan. 15: "Gianfranco Ferroni: Antologica." From abstraction to figurative, from "realism of social commitment" to a "new figurative." 100 paintings and graphic works covering 50 years of creation by the Italian artist.

Milan

Teatro alla Scala, tel: (2) 80-91-50. "Die Walküre," directed by Andre Engel, conducted by Riccardo Muti/Nikolaus Bach, with Plácido Domingo and Waltraud Meier. Dec. 10, 13, 16, 18, 20, 23, 26 and 30.

JAPAN

Kasama, Ibaraki Prefecture
Kasama Nichido Museum of Art, tel: (298) 72-2160, closed Mondays. To Dec. 25: "Raoul Dufy." 120 works by the French artist.

Sweden

Stockholm
Nationalmuseum, tel: (8) 666-42-50, closed Mondays. To Jan. 8: "Goya." Focusing around the allegory "Spain, Time and History," the exhibition features 52 paintings, mainly portraits, and 100 prints by the 18th-century Spanish master.

Switzerland

Geneva
Musée d'Art et d'Histoire, tel: (22) 311-43-40, closed Mondays. To May 7: "Icons: Donation Mavromichalis." Icons from Crete, the Ionian Islands and Venice, dating from the 18th to the 19th centuries.

Zurich

Kunsthaus, tel: (1) 251-6765, closed Mondays. To March 5: "Degas: Portraits." Portraits by the French painter and sculptor.

UNITED STATES

New York
The Jewish Museum, tel: (212) 423-3200, closed Fridays and Saturdays. To March 5: "Jewish Life in Tsarist Russia: A World Rediscovered." Remains of the Jewish folk life and material culture collected in the early 1910s between the Black Sea and Vilnius and from Minsk to Warsaw. Includes costumes, household items, prints, as well as musical instruments and games.

Metropolitan Museum of Art

Metropolitan Museum of Art, tel: (212) 570-3951, closed Mondays. Continuing/To Jan. 8: "Willem de Kooning: Paintings." More than 70 paintings created between 1938 and 1966, starting with de Kooning's first series of paintings of men and women, black-and-white abstractions, expressive line drawings and abstract urban and highway landscapes.

Washington

The Washington Opera, tel: (202) 416-7800. Smetana's "The Bartered Bride," conducted by Heinz Frick with Ann Pargulias, Mark Thomsen and Peter Blancher. Dec. 31, Jan. 2, 8, 15, 19 and 21.

High-Tech Help for the Consumer

By Roger Collis
International Herald Tribune

THE lowest air fare isn't always the best fare when you take into account the travel policy of the corporation, deals with certain airlines, and the needs of the traveler. "Our system really flips the whole travel purchasing process upside down. The only yield management systems that exist today are owned by the airlines; they're designed to maximize the profit per seat. What we have is a yield management system for our clients."

This is how Hal Rosenbluth, president and chief executive of Rosenbluth International in Philadelphia, describes Dacoda, his flagship travel management program which he claims enables corporations to "model" factors such as travel patterns, policies, and priorities (how important are convenience and comfort?), meet negotiated targets for rebates with various airlines and come up with the optimum deal.

This is an example of how high tech is helping business travel agencies to streamline their service and save their customers money. "Travel agents as order takers will very quickly find themselves out of business. A really fine travel agency is one that uses technology and blends that with competent people," Rosenbluth says. "Questions may come in which lead to a simple answer. But more important is to provide options to the traveler that he would not have known about."

The Rosenbluth firm, third largest travel agency in the United States, introduced Dacoda (Discount Analysis Containing Optimal Decision Algorithms) earlier this year to help companies figure the real cost of airline deals by sorting through airlines' elaborate pricing and discounting, thus enabling travel managers to assess the "true value" of each travel option. This may not always be the lowest fare.

Companies typically do route (or network) deals with several airlines whereby they get a cash rebate of anything up to 40 percent if they hit a target — measured in "seat/miles" or by shifting market share by so many points. Such deals may include perks such as upgrades or the use of amenities. What Dacoda does is monitor the daily changes in the market (such as fares, capacity and frequency) and select the best option for each journey. This may be to fly with one airline today, but switch to another tomorrow.

"We're talking about incremental savings of 10 to 19 percent over and above the 40 to 50 percent discounts we've already negotiated for you up front," Rosenbluth says. "We saw one instance where we could have saved a company \$5,000 in a three-week period by selling them \$69 seats with one carrier which had just opened up between two city pairs. But that would have

meant they would not have met their volume hurdles for another carrier, and would have given up a \$500,000 check."

But the harder an agency works at getting you the best deal, the less commission he earns. And how do you know how much money he's saving you anyway? "We've already benchmarked what they're paying through their travel patterns, and we also pick up what is the lowest air fare and Dacoda uses that plus all the negotiated fares; then we split the incremental savings," Rosenbluth says. "If a corpora-

The Frequent Traveler

tion spends \$10 million a year in travel we typically take our 9 percent commission — \$900,000. Since Dacoda most likely will be saving 20 percent, that spending by the corporation is now only \$8 million. We take the \$2 million that is saved and split it, so we end up having a greater return for saving them money. And it gets rid of that conflict of interests that's at the back of everybody's mind."

Once Dacoda has selected a flight, the booking is taken over by Trip Monitor — a "robotics" program which searches for the lowest available fare right up to the day before departure.

Airlines use variable pricing to fill their planes at the maximum revenue or "yield" — offering low fares if you book some time in advance, becoming more expensive at the peak booking period, and cheaper again near the time of the flight. Trip Monitor keeps going into the airline reservation systems, checking the fares and automatically canceling and rebooking at a lower fare.

"Most of the major travel agencies have similar systems," says Richard Lovell, managing director of Carlson-Wagonlit in London. "We are working in the U.K. on some very sophisticated systems developed by Carlson in the U.S.A. But we're not yet at the stage here where the total data base is good enough to be dealt with mechanically. You still need a human interface with the customer."

"When you talk to Hal Rosenbluth, or anyone from the States, and this includes Carlson, they have not got their minds round the fact that Europe is different: the U.S. travel market is very simple — over 80 percent is domestic, compared with most countries in Europe, with a few well-

known airlines, the same language and laws, and a single currency. And things like time-based yield management is only just beginning to come in over here."

"These high-tech tools work well in the States where trip patterns are fairly consistent; but normally what happens is that when the robot reading the computer finds the travel request has international journeys it will refer it to a human agent," says Malcolm Grubb, of Carlson-Wagonlit. "Computers can't cope with international complexities such as 'What about the 4 P.M. flight via Vienna? Great if you're going London-Paris-London, but looking for alternative routings to save some money is beyond the power of a robot. You can't program a computer to know all the dodges of creative fare construction. You don't have the same flexibility you can with an expert human."

"We have similar systems to Dacoda — which really only works if you're the sole agency, which is not always the case — and Trip Monitor and E-Res. We call our low fare search program FRED in the States. The system checks for wait-list clearance and special seat requirements. Normally, before booking the chap will have been offered all the alternatives in terms of fares and routing: FRED comes in and works on the booking. What business travelers are starting to do now is booking themselves on Internet, which is connected to the airline CRSs. But they still need a ticket — although ticketless travel is already happening in the States. And will they do as good a job as the travel agency?"

ONE way to become your own travel agent is to subscribe to an electronic edition of an ABC or OAG guide — owned by the Reed Travel Group — accessed through your PC. OAG Travel Service, an on-line version, lists more than 2 million flights and 1 million fares from 700 airlines. Fares are updated daily and schedules weekly. You can check availability of airline seats or hotel rooms and in North America you can make reservations.

The system is fairly user-friendly. You can either target a specific flight, or a series of connections, then view the fare alternatives (with conditions), or target a specific fare, or range of fares, and view the flights that offer these. You can then move back and forth between fares and schedules. When you get the hang of it you can use quick codes to save time and money.

OAG FlightDisk and OAG Travel Disc (on CD-ROM) come as monthly updates and do not require you to be on-line. Neither shows fares. But you can customize your screen schedules and print out your itinerary.

You're now ready to play yield management games with yourself.

International Herald Tribune

Power players get more out of iht.

You tell us you spend an enjoyable 30 minutes engrossed in your paper.
You also tell us that on average, you have an annual household income of US\$ 147,600.*

It seems then, that our pages are the perfect place for you to decide where to start spending some of it. (Our regular Leisure section, perhaps?)

And the perfect place for our advertisers to get more out of the International Herald Tribune, too.

For summaries of the surveys from which these facts are taken, please call, in Europe, James McLeod on (33-1) 46 37 93 81; in Asia, Andrew Thomas on (65) 223 6478; in the Americas, Richard Lynch on (212) 752 3890.

Source: * VIVA Survey '92/93, * Reader Survey '94.

WHICH WAY ARE THE MARKETS MOVING?

Join the experts as they debate the trends

MARCH 6-7 • 1995 • THE REGENT HOTEL • SINGAPORE

Following the considerable success of their first two events, International Fund Investment and the International Herald Tribune are convening their third major global fund management conference in Singapore on March 6-7, 1995. As before, the conference will offer a platform for debate between a large number of the world's leading asset managers and economists.

MARCH 6

Global Fixed Income & Equity Markets

MARCH 7

Asia-Pacific Equity & Fixed Income Markets

International Herald Tribune

INTERNATIONAL FUND INVESTMENT

FOR FURTHER INFORMATION, PLEASE CONTACT

Brenda Erdmann, International Herald Tribune, 63 Long Acre, London WC2E 9JH
Telephone: (44 71) 836 4802 Facsimile: (44 71) 836 0717

Gulf Veteran To Succeed Rose for UN In Bosnia

By Roger Cohen
New York Times Service

ZAGREB, Croatia — Major General Rupert Smith, a British general who formed close ties with U.S. armed forces during the Gulf War, will replace Lieutenant General Michael Rose next month as the commander of United Nations forces in Bosnia, U.S. and UN officials said Thursday.

"We have been told that General Smith's appointment is now definite," a senior American official said. "You need a steady guy who is a military diplomat in that job, and he seems to fit the bill."

A British Defense Ministry spokesman said he could not confirm or deny the appointment. The one-year term of General Rose, also of Britain, ends on Jan. 24. It began with great momentum, when the Serbian artillery that had ringed Sarajevo for almost two years was pushed by a NATO ultimatum, but has since subsided into the bog of strife that defeated his predecessors.

Presented with the dilemma of protecting 23,000 UN peacekeepers while using the threat of force to advance the cause of peace, General Rose finally admitted defeat over the Bosnian Muslim enclave of Gorazde, where a Serbian encroachment into a UN-protected area has met no response.

The general's biggest achievements have been the successful promotion of peace between Muslims and Croats in central Bosnia, a limited improvement in living conditions for the inhabitants of in Sarajevo and the protection of people against starvation.

General Smith, 51, was commander of the British 1st Armored Division in the Gulf War.

BOSNIA: U.S. Troop Offer

Continued from Page 1

ous military conditions as they seek to withdraw from bivouacs across Bosnia.

A potential exists for attacks on UN troops by Serbian forces, by Bosnian Muslim forces and even by civilians fearful of a cutoff of humanitarian aid, these analysts say.

The potential for a substantial American ground force entering the dangerous and unpredictable territory sets the stage for a major foreign policy debate in Congress. Already some key members are deeply worried about casualties, even as others press for a swift UN withdrawal.

Representative Benjamin A. Gilman, a New York Republican in line to become chairman of the House Foreign Relations Committee in January, said Thursday that possible limitations on the use of U.S. troops and the expenses incurred for a mission in Bosnia must be explored.

Published reports last week made it clear that Mr. Clinton had decided in principle to commit U.S. forces to a possible pullout mission. They said Pentagon planners had been at work for some time on contingency plans, including scenarios for a withdrawal that would take "months."

On Thursday a senior political committee in Brussels heard the United States formally declare its intention to supply troops "in principle," a NATO official said. The next step is for the NATO ambassadors to direct the alliance's military command to draw up a formal plan.

■ **Missile Attack on Bihac**
A missile believed launched by Bosnian Serbs crashed into the besieged Muslim enclave of Bihac on Thursday night, Reuters reported from Zagreb. Paul Rieley of the UN Protection Force said the missile, designed to explode in midair and spray lethal shrapnel onto populated areas, had sailed at low altitude over a UN base in the enclave and landed not far away.

"We are alarmed by the use of the SA-2 missiles as it is a very dangerous and imprecise weapon of mass destruction," he said.

East Asia Looks Toward Europe

By Michael Richardson
International Herald Tribune

SINGAPORE — As ties between Europe and the United States fray over Bosnia, and Washington forges closer links with Asia and countries in its own hemisphere, Asian nations are seeking new ways to bring the European Union and East Asia closer.

The movement, which is likely to lead to the first meeting next year of EU and Asian heads of government, is intended to improve ties between the two regions, promote economic growth and create a better balance in international relations.

Prime Minister Goh Chok Tong of Singapore first advanced the idea for a summit meeting on a visit to France in October, saying it was timely for Europe and East Asia to open a dialogue at the highest level.

A spokesman for Mr. Goh said Thursday that the general reaction to the proposal in Asia and Europe had been positive.

"It is acknowledged that this is a timely idea," said Chan Heng Wing, the prime minister's press secretary. "There is great potential for long-term synergy between Europe and East Asia."

The summit meeting idea is expected to be considered when EU leaders meet in Essen, Germany, on Friday and Saturday. Mr. Chan said that one possibility was to hold the first informal meeting of European and East Asian heads of government after the ASEAN summit meeting scheduled for Thailand in December 1995.

ASEAN, the Association of South East Asian Nations, groups Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei.

Western diplomats said that Germany, the current EU chairman, and France, which will take over the revolving presidency for the first half of 1995, both support the plan to put in place a framework for regular high-level consultations between Europe and East Asia.

They see it as an important channel for opening East Asia more widely to European trade and investment.

Although EU exports to the booming East Asian economies are increasing rapidly, the Union had a trade deficit with the region of about \$52 billion in 1993. EU investment in East Asia, a key generator of trade, lags behind that of Japan and the United States.

The EU leaders meeting in Essen are expected to endorse a new strategy for dealing with Asia based on a program drawn up earlier this year by the European Commission, diplomats said.

The commission warned that Europe was lagging behind its competitors in exploiting Asia's economic potential.

Analysts said East Asian countries hoped that high-level dialogue with the Union on a continuing basis would help to keep Europe's market open and provide a counterweight to the powerful presence in the region of the United States, Japan and, eventually, China.

Supporters of the plan for holding informal EU-East Asian summit meetings, possibly on an annual basis, see three main centers of economic power in the next century: North America, Europe and East Asia.

North America is linked to Europe through the North Atlantic Treaty Organization and Group of Seven leading industrial nations. More recently, North America and East Asia have been linked through the Asia-Pacific Economic Cooperation forum.

DELORS: Rumor Is He Won't Run

Continued from Page 1

edging toward the center — to close ranks before their rivalry handed the election to Mr. Delors.

With the latest opinion surveys showing Mr. Delors six points ahead of Mr. Balladur and even further in front of Mr. Chirac, the conservatives, despite their big edge over France's discredited Socialists, seemed in danger of splitting their own voters badly, a pattern that helped François Mitterrand beat his conservative rivals for the presidency in 1981 and again in 1988.

For Chirac supporters — whose ranks include some French officials who attended the Budapest meeting — the rumor of Mr. Delors's noncandidacy has provided fodder for their argument that their man can continue to try beating Mr. Balladur without endangering a conservative victory.

Strong anti-Socialist sentiment among voters would be a handicap even for Mr. Delors. At 69, he has expressed doubts about his readiness to fight an arduous campaign and has therefore taken his time about deciding whether to run.

To win, he would need help from small center-right parties that share his strong commitment to European unity but not necessarily his main economic views. But crossing party lines would be a perilous career move for politicians elected as part of a conservative political alliance.

Mr. Delors, who has given himself until Christmas to make public his intentions, said this week that his decision had been made — without saying which way. This week he apparently confirmed that decision to the French Socialist leadership so that it can prepare for the campaign.

Despite the rumors in Paris, however, Mr. Delors left a group of European Socialist leaders with the impression that he did intend to run for office, delivering a fiery, campaign-

style speech on Thursday in Essen, Germany. The Socialists were holding talks there ahead of a European Union summit conference.

Praising the European left for resisting a grand, rightist "offensive" led by former President Ronald Reagan of the United States and former Prime Minister Margaret Thatcher of Britain, Mr. Delors called on his listeners to continue fighting ideologies that want society to be ruled entirely by the laws of the marketplace.

Eventually, around 145 countries are expected to be linked by the pact. In Geneva on Thursday, senior officials of major trading nations formally approved the launching of the World Trade Organization.

MERGER: Deal Would Form One of World's Largest Investment Banks

Continued from Page 1

with warnings of a huge drop in earnings in the first half of the year.

Investment banks around the world have been hit hard this year by everything from steep declines in underwriting fees to volatile bond, stock and derivatives markets.

Last month, Warburg unveiled a 58 percent drop in pretax profits for the first six months of the year, with the vast bulk of those earnings coming from its stake in Britain's largest fund manager, Mercury Asset Management, with \$100 billion in assets.

Warburg said that its investment banking division had barely broken even, post-

ing profits of only \$5.5 million compared with \$98.4 million in the same period in 1993, a spectacularly good year for most investment banks the world over.

Morgan Stanley, though its earnings held up far better, was far from immune from the market's ravages. In November, it posted a 35 percent drop in third quarter earnings, reporting \$118 million compared with \$180 million in the third quarter of 1993.

Analysts attributed the scope of the setback at Warburg in part to the size of its ambitions.

The British house has arguably been the most ambitious of Britain's merchant banks, aping its larger American cousins in

trying to become a one-stop corporate financial supermarket that offers a full range of financial products and services around the globe. Its expansion to Tokyo and New York has been a huge drain on its resources in recent years.

"Warburg's investment bank is producing absolutely appalling returns," said Mr. de la Haye of S.G. Strauss Turnbull. "It will need a major change."

Warburg's shares have fared poorly this year in the market, shedding 28 percent of their value before the announcement Thursday.

Analysts say that one likely result of a merger between Morgan Stanley and Warburg would be significant staff reductions at both institutions.

TIES: Relations With Russia Lowest in a Long Time, U.S. Officials Agree

Continued from Page 1

Council resolution last Friday that would have tightened the embargo against the Serbs.

Experts see other reasons, including Russian fears that Washington is bullying Moscow and that the Republican victory last month will mean more hostility.

"I would say we're seeing the worst relations since 1984," said Dimitri Simes, a Russia expert who is president of the Nixon Center on Peace and Freedom in Washington.

"We're seeing a fundamental worsening of the relations, which reflects not domestic Russian circumstances, not the

Republican congressional victory, not Bosnia, but trends in Russia that once again make it a serious power with nationalist interests and an increasingly assertive manner."

Washington and Moscow will not be able to patch up relations until they reach agreement over President Bill Clinton's proposal to enlarge NATO, administration officials say. The plan, endorsed by NATO, is to spell out for East European nations next year the conditions for joining NATO as part of a gradual expansion.

Viewing expansion as an anti-Russian move, Mr. Yeltsin reacted bitterly in Budapest,

saying, "Why are you sowing the seeds of mistrust?"

According to administration officials, their strategy will be to explain that widening NATO will advance Russia's goal of stability in Central Europe.

But some officials acknowledge that such an explanation might not placate the Yeltsin government, which is worried that it is being left out of the new security structure that NATO is developing.

Secretary of State Warren M. Christopher spoke with Mr. Kozynov this week to reassure him. Mr. Gore is to meet with Mr. Yeltsin and Prime Minister Viktor S. Chernomyrdin next

week as part of semiannual talks on economic, environmental and other issues.

But Mr. Gore will not doubt discuss NATO, administration officials say, as will Defense Secretary William J. Perry, due in Moscow next Thursday.

While seeking to narrow differences, these officials also intend to make clear that Washington is firmly committed to expanding NATO, a senior administration official said.

To subscribe in Germany just call, toll free, 0130 84 85 85



Attending the GATT signing on Thursday: Mickey Kantor, left, the U.S. trade representative; Treasury Secretary Lloyd Bentsen; Commerce Secretary Ronald H. Brown, and the incoming Senate majority leader, Bob Dole of Kansas.

Clinton Signs World Trade Agreement

Compiled by Our Staff From Dispatches

WASHINGTON — Saying "we must never run away from the world," President Bill Clinton signed a bill Thursday approving U.S. participation in the world trade agreement.

With Republicans and Democrats looking on, Mr. Clinton signed the bill at the headquarters of the Organization of American States. He applauded the bipartisan effort that led to the passage by Congress last week of the accord, known as the Uruguay Round of the General Agreement on Tariffs and Trade.

In Tokyo on Thursday, the upper house of Parliament voted overwhelmingly to approve the GATT accord. The vote completed Japan's ratification process after the lower house approved the trade treaty last week.

The actions in Washington and Tokyo mean that almost 40 countries have approved the agreement and another 40 are expected to do so before the end of this year. The accord sets up a new, more powerful World Trade Organization to police trade disputes. It is scheduled to go into effect on Jan. 1.

The treaty slashes tariffs worldwide by more than a third and liberalizes markets for goods, services, farm products and textiles.

Eventually, around 145 countries are expected to be linked by the pact. In Geneva on Thursday, senior officials of major trading nations formally approved the launching of the World Trade Organization.

"It will be a smooth operation on Jan. 1," said Peter Sutherland, the GATT director-general. GATT will be phased out as the WTO is started up, and the two organizations will coexist for at least a year.

Mr. Sutherland urged China and major Western powers to seek a compromise over Beijing's bid to be a founding member of the new organization. Beijing pulled out of GATT after the Communist takeover in

1949, but applied to rejoin in 1986. To become a founding member of the WTO, it has first to be admitted to GATT.

But Mr. Sutherland told a news conference he would not favor Chinese admission to GATT "at any price" before the WTO is launched.

"In principle, it is obviously desirable that China should be at an early date in the WTO, which by its name indicates a world organization which con-

tains all relevant trading areas," he said.

"But I can't say this should be at any price. It obviously has to be on the basis of a reasonable agreement. There has to be a balance between the desirability of China entering and the acceptability of the terms negotiated."

A U.S. official in Geneva said Thursday that Beijing had shown little flexibility in negotiations. (Reuters, AP)

SUMMIT: A Divided Union Sidesteps Major Issues

Continued from Page 1

tor of the Royal United States Institute in London.

The Union's divisions are most obvious in policy toward Eastern Europe, the centerpiece of the summit meeting.

The leaders are scheduled to endorse a strategy for the eventual EU membership of Poland, Hungary, the Czech Republic, Slovakia, Romania and Bulgaria. It includes increased regular ministerial meetings and a detailed work program to rewrite East European laws to conform to the Union's single market.

Sir Leon Brittan, the commissioner who helped draft the strategy, said the Essen meeting would "create irreversible momentum" toward membership.

But the strategy has two gaping holes. It does not commit the Union to overhauling its expensive agricultural subsidies, which the bloc cannot afford to extend to the East's huge farm sector. It also leaves unresolved the amount of funds the Union will provide to prepare the East

for membership, which Spain and France blocked in order to win more aid for the Mediterranean region.

A Spanish diplomat predicted that the meeting would pro-

'Big words and lots of music, but no more than that' for the East.

duce "big words and lots of music, but no more than that" for the East.

Behind the details of policy toward the East lies the even-tougher question of reform of EU institutions to make the group governable as it grows to more than 20 members. Such reform is "the precondition for everything," one commission official said.

Germany's proposal for a deeply integrated, federal Europe has spawned a backlash in France, with Prime Minister

Edouard Balladur calling for the kind of ad-hoc cooperation among EU nations long-favored by Britain.

"There are acute conflicts between France and Germany on this point," said Axel Sauger of the German Society for Foreign Affairs in Bonn. In addition, he said, Mr. Kohl and Mr. Mitterrand were likely to give way to successors "less attached emotionally" to the Paris-Bonn axis and "more keen on stressing national interests."

As for jobs, the leaders are expected to reiterate calls to reduce payroll taxes, reduce labor market regulation and improve training.

But a paper expected to be approved by the leaders states that efforts made over the past year "fall a long way short of what is necessary" to bring down the 10.7 percent unemployment rate, while economic recovery is making it easier for governments to put off hard decisions on pension and labor reforms.

PEACE: Irish Talks Bugged Down

Continued from Page 1

means that if he is to pass a difficult bill, he must rely upon 10 legislators from Northern Ireland. They belong to the Unionist tradition, which wants continued union with Britain, and so they are wary of rapid progress at the negotiating table that could weaken ties with London and lead to absorption by the Irish Republic.

The danger is that the Unionists will have too much power. A spokesman for the prime minister acknowledged this Wednesday, saying: "We'd be loath to see that, because of the parliamentary arithmetic here, the Protestant community has an unreasonable advantage. At the end of the day, the process won't work if we alienate either side, the Unionists or the nationalists."

For all of these reasons, momentum in the peace process has been slowed. The general engine of the whole affair, in which Dublin pressed for more concessions to the IRA while London held back to calm the fears of the Unionists, has broken down.

The talks on Friday are preliminary sessions involving only two parties to the 25-year-long conflict: Sinn Féin, speaking on behalf of the IRA, and civil servants representing the British government. They will be followed in a week's time, Mr. Ma-

Kaifu Wins Top Post in New Party In Japan

By T.R. Reid

Washington Post Service

TOKYO — Members of Japan's reform-minded opposition on Thursday elected Toichi Kaifu, a former prime minister, as the first chairman of their new coalition party, the New Frontier Party.

The New Frontier Party, or Shinshinto in Japanese, will be inaugurated formally Saturday, a collective endeavor formed by members of several different groups. With about 185 members of the lower house of Parliament, it will be the second-largest party in Japan.

Mr. Kaifu's chief job will be to take his new party into a general election and try to oust the current government, a coalition formed five months ago and headed by Tanaka Masuyasu, leader of the Social Democratic Party. But Mr. Kaifu could not say Thursday when an election might be held.

The New Frontier's chief architect and strategist, Ichiro Ozawa, was elected as the party's secretary-general.

The big new opposition party is second in size only to the Liberal Democratic Party, the most conservative of Japan's major parties.

Many New Frontier members are former Liberal Democratic politicians. Mr. Kaifu was president of the Liberal Democrats and prime minister from 1989 to 1991. He is closely associated in the public mind with the fight against political corruption. He was cashiered by leaders of the Liberal Democratic Party because they feared he was pushing too hard to pass an anti-corruption bill.

The most interesting thing about the New Frontier Party's election for party chairman is that an election was held at all. Normally, a new party here would be expected to choose a leader through consensus building, with a long series of closed-door meetings at which everyone would informally agree.

That there was a three-way vote for party chairman — Mr. Kaifu ran against another former prime minister, Tsutomu Hata, and the Democratic Socialist Party chairman, Takashi Yonezawa — is subject to different interpretations.

One view is that the newly-formed opposition group is already split among various factions. The opposing view is that the New Frontier Party is actually fairly unified, and the three-way vote was held to demonstrate to the public that the new party is more open and more democratic than other political parties here.

PEACE: Irish Talks Bugged Down

tor told Parliament on Thursday, by talks between the British and the so-called loyalist paramilitaries, the Protestant gunmen. That is part of the balancing act.

From its side, Sinn Féin's goal is to be treated as a full partner at the negotiating table. The government's is to try to settle some important issues, such as decommissioning the IRA's stockpile of weapons, in order to turn Sinn Féin into a recognized "constitutional" party.

But the substantive talks on the future of the province, involving all the interested parties that care to join in, are to come later. To prepare for them, London and Dublin have been working behind the scenes for weeks to come up with a "framework" document to lay out the agenda and offer general proposals backed by the two governments.

The document is long overdue and the negotiations to produce it have hit a snag. The two governments cannot agree on the overarching constitutional questions for Ulster — how to get Dublin to drop its territorial claim on the North and how to ensure that the will of the majority in the North will be determined.

People with first-hand knowledge of the London-Dublin talks say that the negotiators have reached a stalemate.

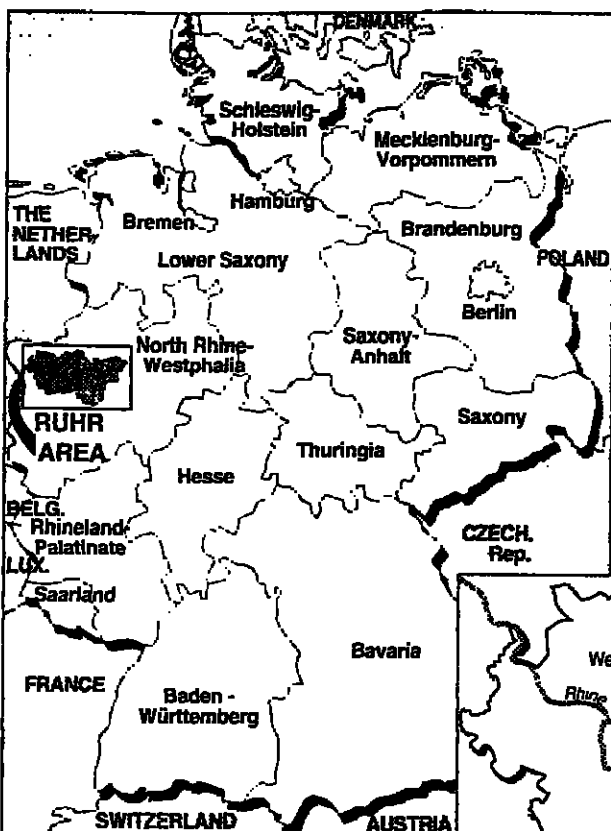
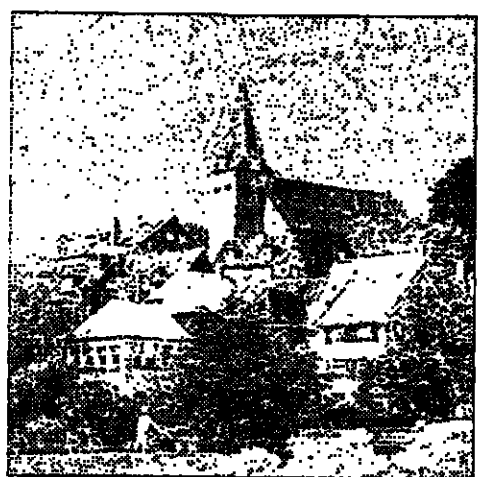
THE EASIEST WAY TO
GET BACK HOME WITHOUT
RUBY SLIPPERS.



COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS
American Samoa	633-1000	Cyprus	080-900-01	Japan (KDD) (English)	0066-55-877	Peru	196	Turkey	00-800-1-4477
Anguilla (dedicated phones)	80	Czech Republic	002-027-187	Japan (KDD) (English)	0039-131	Philippines (ETN stations only)	105-01	U.S. Virgin Islands	1-800-877-8000
Antigua (pay phones)	1-800-366-4463	Denmark	800-1-0877	Japan (Japancom)	0036-35-888	Philippines (PhilCom)	102-01	U.S.A.	1-800-877-8000
Argentina	001-800-777-1111	Dominican Republic	1-800-791-7977	Korea	000-12	Philippines (PLDT)	102-16	Uruguay	8-100-15
Armenia	8-10-153	Ecuador	171	Korea (Daejeon)	009-12	Poland	0067-1-477	United Arab Emirates	800-131
Australia (Optus)	008-531-10	Egypt (Cairo)	356-0777	Korea (NT)	009-16	Portugal	00351-1-277	United Kingdom (BT)	0800-99-0877
Australia (Telstra)	1-800-881-877	Egypt (El Shoubra)	02-356-4777	Kuwait	900-777	Puerto Rico	01-800-0877	United Kingdom (Manxnet)	000-99-0877
Austria	023-903-014	Finland	191	Libya	155-0777	Romania	155-4139	Uruguay	000-17
Bahamas	004-389-2014	Fiji Islands	004-890-100-3	Lithuania	8-197	Russia (all offices)	8075-125-6133	Vietnam City	179-187
Barbados	1-800-877-8000	France	9800-1-0284	Luxembourg	000-0115	Saudi Arabia	213-0331	Vietnam (English)	800-1111-0
Belgium	0800-10014	Germany	19-0087	Macao	0800-121	Saudi Arabia	213-0331	Vietnam (Spanish)	800-1111-1
Belize	520	Ghana	0130-0018	Malaysia	006-0016	Switzerland	1-025-0233		
Belize	84	Guatemala	009-001-411	Mexico	01-900-877-3000	Thailand	172-1077		
Bermuda	1-800-623-0877	Hong Kong	920-1566	Morocco	19-0087	Thailand	172-1077		
Bolivia	0800-3273	India	195	Netherlands	0030-121	Thailand	172-1077		
Brazil	0800-4074	Indonesia	001-800-1212000	Netherlands	0030-121	Thailand	172-1077		
British Virgin Is.	1-800-877-8000	Iran	800-1877	Netherlands	0030-121	Thailand	172-1077		
Bulgaria	00-800-1010	Israel	001-800-1212000	Netherlands	0030-121	Thailand	172-1077		
Canada	1-800-877-8000	Italy	001-800-1212000	Netherlands	0030-121	Thailand	172-1077		
Chile	00-800-1010	Japan	001-800-1212000	Netherlands	0030-121	Thailand	172-1077		
China (English)	008-531-10	Kenya	001-800-1212000	Netherlands	0030-121	Thailand	172-1077		
China (Mandarin)	1-800-881-877	Korea	001-800-1212000	Netherlands	0030-121	Thailand	172-1077		
Colombia (English)	106-16	Korea (Daejeon)	009-12	Netherlands	0030-121	Thailand	172-1077		
Colombia (Spanish)	106-16	Korea (NT)	009-16	Netherlands	0030-121	Thailand	172-1077		
Costa Rica	163	Kuwait	900-777	Netherlands	0030-121	Thailand	172-1077		
Croatia	00-800-1013	Libya	155-0777	Netherlands	0030-121	Thailand	172-1077		
		Lithuania	8-197	Netherlands	0030-121	Thailand	172-1077		
		Luxembourg	000-0115	Netherlands	0030-121	Thailand	172-1077		
		Macao	0800-121	Netherlands	0030-121	Thailand	172-1077		
		Malaysia	006-0016	Netherlands	0030-121	Thailand	172-1077		
		Mexico	01-900-877-3000	Netherlands	0030-121	Thailand	172-1077		
		Morocco	19-0087	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands	0030-121	Thailand	172-1077		
		Netherlands	0030-121	Netherlands					

مركز الاعلام

ESSEN & THE RUHR AREA

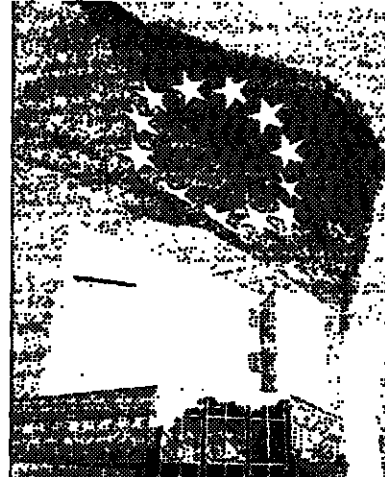
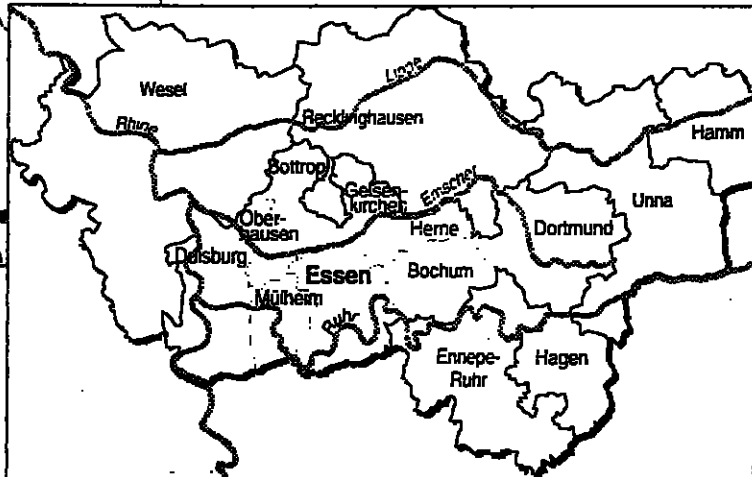


Essen and the Ruhr District
Area
Essen: 201.3 square kilometers
Ruhr District: 4,434 square kilometers
Population
Essen: 627,000
Ruhr District: 5.4 million

GETTING THERE — AND GETTING AROUND

It's easy to get to the Ruhr district, and even easier getting around it. Downtown Essen is only 23 kilometers (14 miles) by express rail or highway from Düsseldorf airport, Germany's second-largest and an integral part of the international air grid.

In addition to a tightly woven network of autobahns (superhighways), the Ruhr is also crisscrossed by the Rhine-Ruhr S-Bahn (mass-transit railway), the largest transit authority in Europe; by the country's express ICE and IC rail services; and by a network of rivers and canals, used by an ever-growing flotilla of ferries, river cruisers and yachts.



EMBLEM OF EUROPE'S TRANSFORMATION

Vast new public-works projects in Essen symbolize the turnaround of the region as a whole.

In projects comparable in size to the one currently being undertaken on Berlin's Potsdamer Platz, 155,000 square meters of the area around Essen's main train station will be revitalized. The so-called Passarea project includes a 127-meter (420-foot) high-rise, the tallest in the Ruhr district; 10 other skyscrapers; extensive shopping arcades; two hotels; two conference centers; and other facilities.

For such a huge project, local reaction is low-key. "I think people see the project as a heartening sign of investor confidence in Essen and in the Ruhr," says Annette Jaeger, mayor of the city of Essen, which is supporting the project along with developers RWE AG, construction giant Hochtief AG and Deutsche Bahn AG (the nation's rail authority).

"The residents are pretty inured to excitement," he adds, "after a very tumultuous 30 years."

Cleaner and greener
Says Hans Singer, president of the city's Chamber of



Commerce: "Long-time residents of the Ruhr district have witnessed and been party to some of the most dramatic change experienced outside of Central and Eastern Europe. They've seen a business community, once the most productive and prosperous in the world, falter, setting off a period of

wrenching change. They've also seen a new, vastly different business sector arise in its place.

This redirection of activity has had positive side effects. "Of all the changes that have taken place in the Ruhr," says Walter Deuss, chairman of the board of Karstadt AG, "the one most remarkable to the average resident has been the major improvement in the quality of the air and water, in the very look of the cities and the land, once so polluted."

Up until 30 years ago, basic change was the last thing on the Ruhr's collective mind. In the early 1960s, the Ruhr was exactly what it had been a hundred years before: Germany's manufacturing center, with the highest levels of affluence and employment in the country. While the region had gradually diversified its activities, steel and coal were still the region's economic pillars, and production of both was at an all-time high.

Postindustrialism
Then, in scenes common to the entire Western industrial world, the coal mines, unable to compete with foreign mines and other kinds of energy, began to shut down, one after the other. At the same time, there was a glut on the steel market.

These crises were only symptoms of a deeper malaise. "The Ruhr has missed the economic boat," ran the conventional wisdom of the time. Southern and central Germany were on the rise, powered by such new businesses as microelectronics and technical and financial services. Talk of "the sick man of Germany" and "the deindustrialization of the Ruhr" began to gain currency.

There was nothing accidental or easy about the turnaround when it came. The state government of North Rhine-Westphalia joined local governments and businesses in planning and building new universi-

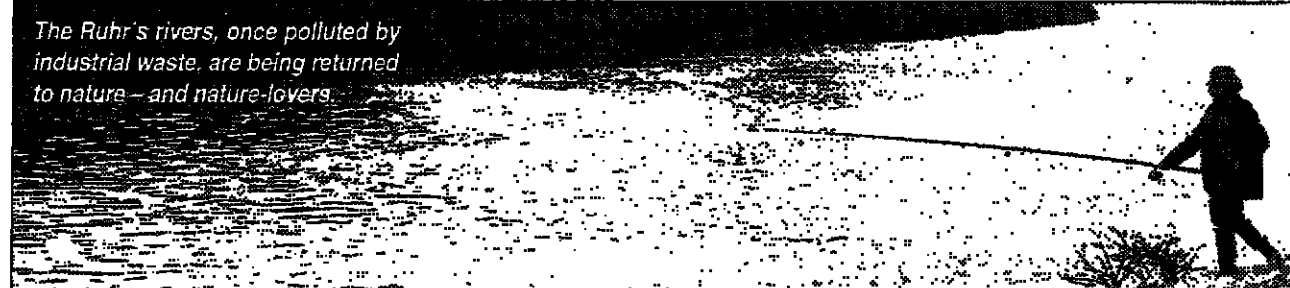
ties, roads, rail links, business parks and housing. "It has been a struggle for each new investment, each new job," says Ralf Nienaber, deputy managing director of Essen's Chamber of Commerce.

It was a struggle largely won in the mid-1980s, although aftershocks and unresolved issues persist to this day. One symptom is the region's ongoing series of steel-mill closings and the ensuing labor strife.

True urban renewal
Essen in 1994 has a modern, even glamorous business sector. Name an exciting new field — private-sector telecommunications, infrastructure operations, environmental technologies, advanced methods of power supply — and chances are good it is based or well-represented in Essen. Two-thirds of the city's working population is now gainfully employed in services, with a high percentage of them in such high-end jobs as industrial engineering, printing or international trading.

Thanks to these factors, the greater Essen business district (which also includes Mülheim and Oberhausen) alone is responsible for more than one-eighth of the total economic output of North Rhine-Westphalia, itself accounting for one-quarter of Germany's total gross domestic product, with an economy only slightly smaller than that of the People's Republic of China.

The Ruhr district's performance has matched that of its largest city. The Ruhr's 200 billion Deutsche mark (\$133 billion) economy features such advanced sectors as automotive and industrial engineering, chemicals and semiconductor design. Its rates of long-term growth are squarely in the middle of Germany's spread. Below-average per capita incomes are more than compensated for by rock-bottom (for Western Germany) living and operating costs.



THE RE-ENGINEERING OF A VITAL REGION

Growth, greenery and garden shows have now become typical features of the Ruhr area.

The contest between the Ruhr district's industrializers and renaturizers has been going on for 130 years. Over the last 30 years, the renaturizers have gained the upper hand. Now they are finally and conclusively deciding the contest in their favor.

"The Ruhr district is green." A generation ago, that statement would have been a laughable untruth — although, even in those dark days, the Ruhr was already a lot greener than it had been. By a decade ago, it had become a motto of regional pride, trotted out on every occasion to dispel stereotypes to the contrary. Today, the statement is a national commonplace.

Cultivating green areas
Like most stories in Essen and in the Ruhr as a whole, this one starts with the seminal figure of Alfred Krupp, singlehandedly responsible for industrializing much of the district. Setting a pattern for the next hundred years, Krupp was also a great benefactor to the environment. Around his seat, the Villa Hügel, he landscaped, at vast expense, a park of some 75 hectares (185 acres), today's Hügelpark.

The next steps were taken by the city itself, which in 1929 turned a 70-hectare industrial site into Gruga Park, one of Germany's largest municipal parks. Each move by the city's business community away from steel mining and coal mining toward high-tech production and services returned further industrial sites to "civilian" use. Essen's city govern-

ment saw to it that a goodly portion of these expanses were renatured — with impressive results.

Today, forests and parks account for nearly 3,000 hectares of the city's area, more than two and a half times as much as 50 years ago. Some 3,038 hectares of that have been incorporated into Germany's system of nature preserves.

As a result of its greening, some 63 percent of the Ruhr district is now comprised of parks, gardens, waterways and farms. The region's

The best from the renaturizers is now coming on-stream in precisely the area once referred to as "the worst of the Ruhr district."

Reclaiming the Emscher
The Emscher river runs westward for 70 kilometers through the Ruhr district's center. The Emscher district, with a population of 2 million living in 17 cities occupying 800 square kilometers, was never a tourist attraction. During the course of the industrial revolution, the Emscher had been

centers, kindergartens and concert halls, museums and office complexes, shopping malls and "climbing parks."

The size and scale of some of the individual projects have attracted the attention of the world's leading conservationists, architects and impresarios. Once an industrial wasteland, north Duisburg's 200-hectare Volkspark is centered on a decommissioned steel mill, whose grounds are now home to 300 different kinds of plants as well as rare reptiles and amphibians.



pride and joy is the Ruhr river itself. Once "the district's gutter," it has been a favorite swimming hole, source of potable water and site for a day of sailing since the early 1930s, when five stretches of it were turned into reservoirs and an extensive sewage treatment system was installed.

turned into an open concrete drainage ditch; its land had become a jumble of industrial refuse, bedraggled communities and abandoned production facilities.

Today, many sections of the Emscher river and its tributaries have the look, taste and smell of the preindustrial era. Some 350 kilometers of waterways are now being renatured, and 320 square kilometers of land have been reclaimed and are currently being turned into parks and gardens, all linked by hiking and bicycle paths.

Imaginative site recycling
Also being rejuvenated are the region's industrial facilities themselves, now given new lives as technology transfer and multicultural

Previously owned by MAN Gutehoffnungshütte AG and formerly one of Europe's largest storage facilities for industrial gases, Oberhausen's "Gasometer" is now the site of an industrial museum as well as extravaganzas of all kinds.

Working this transformation has been the International Bauausstellung Emscher Park (IBA — International Building Exhibition), created in 1989 by the region's local governments and the state of North Rhine-Westphalia.

To date, reports Gerd Selmann, the IBA's deputy director, some 800 million Deutsche marks (\$533 million) in private investment has been secured by the program, some one-third of its total allocations.

WHAT'S GOING ON

The opening of the European Union has been accompanied by many economic, political and cultural developments, and Essen has been busy celebrating itself and its many visitors during the last four months. From Aug. 8 to Dec. 8, 102 events, athletic, cultural and tourist-related events have taken place in the city, including major dance, film, comedy, carni-

val, and music festivals, as well as numerous exhibitions of EU member countries' cultural endeavors and historical events. Essen's Old Town Square has been the site of the "European Village" and the "European Village" has been the site of the "European Village."

The dignitaries attending the EU summit will hardly be able to miss Essen's brightly illuminated, sparkling International Christmas Market, which takes place smack-dab in the middle of the inner city. Also going on a talk on the part of the "European Village" by noted author and banker Margit A. Marnett at the central library on Dec. 9 at 8 P.M., and a range of other exhibitions.

FOLLOWING IN THE FOOTSTEPS OF THE ROLLING STONES

The venue for the EU summit is a versatile site known for its wide range of trade fairs and other events — including rock concerts.

Starting on the afternoon of Dec. 8, Essen's trade-fair grounds will fill Europe's television screens, particularly its "South House" (Messchaus Süd), in which the summit itself will be taking place over the following two days. For many viewers, and for quite a few of the 2,000 members of the official delegations and the 2,500 journalists attending, the fairgrounds — or at least one part of it — may be familiar.

The world's business community knows Messe Essen, the city's trade-fair authority, very well. It is among the world's top 20 in terms of turnover, number of visitors (where it also ranks in Germany's top three) and exhibitors.

Innovative events
Within the German trade-fair scene, Messe Essen is known as an innovator. It has shown a great knack for developing as an innovative new events. The latest examples, reports Munich's Süddeutsche Zeitung, are fairs for traders in surplus merchandise, wedding-related articles and the dance industry. Messe Essen has also recently entered into an innovative

working relationship with Düsseldorf's trade-fair authority, in which the two cities are to exchange equity and coordinate their calendars and capital expansion plans.

What is surprising is that Messe Essen is also the only authority in Europe to be known in many of the Continent's living rooms and rock clubs.

The trade-fair grounds feature 18 halls covering 90,000 square meters. The Grugahalle is one of the authority's six congress facilities, in which some 895 events are held every year, 117 of them in the Grugahalle. While many of these events focus on such worthy subjects as ongoing developments in medical technology and methods of selling consumer goods, the Grugahalle tends to feature Broadway shows, sporting events and rock concerts.

For two generations of young Germans, the Grugahalle has been one of the country's premier venues for rock concerts. Everyone from the Rolling Stones to Elvis Costello has had German debuts or showcase performances in the Grugahalle. For young Europeans, the name "Gruga" com-

mands instant recognition, a legacy of the 17 "Rockpalasts" broadcast from the Grugahalle in the late 1970s and early '80s. "Actually, while I'm always glad to spend an evening taking in one of the Grugahalle's events," says Gerd Luberichs, chairman of Messe Essen's managing board, "my own tastes run to classical music, not rock."

Global trade events

Mr. Luberichs's days are spent helping manage a very busy calendar — busy because Messe Essen has two constituencies. It provides a full range of events for the region — with 15 million people within a 90 minute drive, the largest in Europe. At the same time, the authority has established a number of events attracting trade exhibitors and visitors from around the world. They include IKK, focusing on "cold" and air-conditioning systems, OFTECH (surface treatment technologies) and ChemSpec Europe, concentrating on chemical specialties. All told, Messe Essen's 1995 calendar features 25 major events.

"ESSEN AND THE RUHR AREA"
was produced in its entirety by the Advertising Department of the International Herald Tribune. It was sponsored by the City of Essen, Hypothekbank in Essen AG, Ferrostaal AG, Th. Goldschmidt AG, the Essen Chamber of Commerce, ETEC GmbH, Messe Essen GmbH, Karstadt AG, Ruhrparks AG and the display advertisers.
WRITER: Terry Swartzberg is a business writer based in Munich.
PROGRAM DIRECTOR: Bill Mahler.

ESSEN AND THE RUHR AREA

MANUFACTURERS EVOLVE TOWARD SERVICE

The region's corporate community combines long-term continuity with ongoing change.

One of the common fallacies in current business thinking is that only new companies can have viable new products and promising new business areas. According to this thinking, the older the company, the older its products. The corollary: the more established the company, the less adventurous its business strategy.

The recent track records of the Ruhr district's major companies suffice to dispel these myths. RWE, Ruhrgas and Karstadt are the largest in their particular sectors in Germany, and have been for the entire postwar period. These very same companies have boldly entered promising new business areas and launched new products.

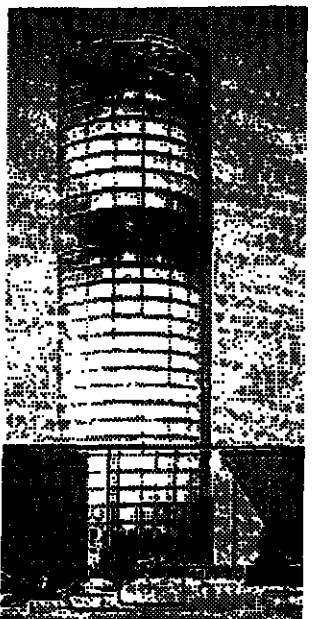
New sectors to conquer
Long Germany's largest electricity supplier, RWE also bids fair to become one of the country's major telecommunications companies, thanks to its entry into the corporate communications and data transmission sectors, both as a consortium member and on its own. RWE is now one of Germany's leading suppliers of environmental services through its RWE Entsorgung subsidiary, which includes 200 individual companies and activities. Its Hochtief construction subsidiary is currently making a determined move toward the number-one slot in its industry. Its Lahmeyer project engineering and energy facilities arm (as well as its various associates and subsidiaries) is one of the world's major players on the infrastructure scene.

Ruhrgas has not so much diversified into new businesses as it has opened up new geographic and technological areas. Either on its own or as a consortium member, the natural gas supplier, one of Europe's largest, has steadily built and

extended modern pipelines throughout the Continent. By developing combustion technologies and equipment, the group has also helped expand the range of natural gas uses. One consequence has been the rapid proliferation of ultra-efficient, ultra-low-polluting cogeneration-based power plants around the world.

Diversification

One of Karstadt AG's recent moves made headlines in the financial pages. To maintain its primacy in Germany's retail sector, Karstadt acquired Hertie GmbH, the country's third-largest retailer, making the Karstadt department store group the largest in Europe. Karstadt's other undertakings, while not quite as spectacular, have been equally gratifying to the company's shareholders. Today, Karstadt is one of Germany's top-three mail-



The newest face in the Ruhr's metropolitan area: the DLZ, or Dienstleistungszentrum Stern, which will house offices of RWE Holding.

order suppliers and tour and travel operators.

The Ruhr's manufacturers have also expanded into new markets, diversified their range of products and restructured their operations. Although nominally doing the same kind of business as they were 40 or even 140 years ago, these manufacturers have completely redefined their way of operating.

In transition

"For all intents and purposes, we've become, predominantly, a very high-end technical services company with built-in, still sizable production facilities," says Klaus Brückner, president of Duisburg's Mannesmann Demag Hütten- und Stahlbau. The service element was relatively unimportant. Today, we have one-tenth the manufacturing staff we had previously and nine times as many design, production and project engineers.

Says Hans-Joachim Kollmeier, chairman of the board of Th. Goldschmidt AG: "The high-performance chemicals and other specialties we market are very concrete products, but in fact we are now selling and living off our know-how, specifically our know-how in the field of surface chemistry."

Surfaces are everywhere—between materials, substances and mixtures. Their joinings are governed by complex properties and phenomena. To influence or improve these, Goldschmidt has developed a wide range of additives. Examples of these are stabilizers for polyurethane foams, defoamers for mineral oils, lacquers and other materials, and additives for lacquers and paints. Many of Gold-

schmidt's products are encountered in daily life, in personal-care items and cosmetics, on the surfaces permitting stick-on labels to be separated from paper and in products used in treating metal and glass.

In specializing in know-how and processes, Goldschmidt is continuing a nearly century-and-a-half-old tradition. In 1847, Theodor Goldschmidt founded a company in Berlin to produce tin-based auxiliaries, items used to treat and dye textiles. In 1889, the Goldschmidt company moved to Essen in order to be closer to its main source of raw materials and its largest customers at that time.

Impetus for change

After World War I, as the region's steel and machine manufacturers moved first into automobiles and complex machines and then into electrical and industrial engineering, Goldschmidt became a producer of surfactants and other high-end chemicals.

"Compared to the quantity of products they are added to, and to the characteristics or changes they induce in these products, our surfactants and other performance additives are relatively small in mass," says Mr. Kollmeier. "The desired properties or characteristics they impart are large in effect. To achieve these effects, we spend 10 percent of our turnover—a very high figure—on research and development, on further developing our know-how."

Instead of a few best-selling products for a few broad-use markets, Goldschmidt now has a variety of "stem" products for a corresponding number of market niches.

Throw in an ever-larger number of competitors and Germany's relatively high operating costs, and this

Goldschmidt's specialty chemicals are used in treating auto pistons.



complexity might seem a recipe for corporate disaster. But Goldschmidt's story is typical of the region's entire sector, points out Hans Singer, president of Essen's Chamber of Commerce and Industry. "The Ruhr district's manufacturers have undergone a very hard shakedown process and are confronted with high levels of competition every day," he says. "Only those companies with a tremendous flexibility, an ability and willingness to learn and plain industriousness have survived."

Actually, Goldschmidt, like many of the region's other corporate mainstays, has been doing much more than just surviving. In 1993, the group registered solid increases in turnover, which rose close to an all-time high, and in profitability.

Flexibility in action

"In today's industry, the trick is to know where and how to locate the margin," says Mr. Kollmeier. "For Goldschmidt, it's sometimes in conducting, developing and marketing work on a proprietary or a third-party basis, sometimes in implementing joint development and marketing agreements. It's even very often in normal manufacturing and marketing. This diversified repertoire of roles has stood us in good stead in our opening up of new markets as America and Asia."

It took Goldschmidt several years and all of its flexibility to become a major



Klaus Liesen, Ruhrgas chairman: "Ruhrgas's cultural and social activities have furthered our links to and long-term business relationships with natural gas producers in Denmark, the Netherlands, Norway and Russia. These activities have also further developed the ties between Ruhrgas and the community of which it forms a part: Essen and the Ruhr district."

supplier of specialty chemicals in the United States.

"We played all the cards in our hand in opening up the American market," says Mr. Kollmeier. "First we had to go through a bit of show-and-tell—and of course a lot of learning. We set up a small manufacturing facility and used its products to show American customers what our surfactants, stabilizers and conditioners could do. At the same time, we started a dialogue with the Americans to let them tell us exactly what they required. After being accepted by the Americans, we were in a position to offer both our complete range of products and, equally interesting

for us, our product development and adapting services."

After a number of pioneering steps in the Asian market, Goldschmidt is making a major move, having recently founded subsidiaries in Taiwan, Singapore and South Korea, and sales offices and trade laboratories in two major cities in China. The company has also initiated a manufacturing agreement in Indonesia.

The value added: service

The international success enjoyed by Goldschmidt, Mannesmann Demag Hütten- und Stahlbau and the region's other industrial chameleons has pleased both corporate

shareholders and regional business development authorities. The end products of these companies are still chemicals, industrial facilities and power plants, among other things, meaning that they are still categorized as manufacturers. The value added by these companies stems from such intangibles as knowledge of customers, markets and technologies.

"It may be time to finally do away with such previously existing dichotomies as local and international markets or manufacturing and service sectors," observes Mr. Kollmeier, "especially when these items so obviously form single entities."

THE RUHR'S RETAILING REVOLUTION

A by-product of the Industrial Revolution was the still-ongoing Commercial Revolution.

Everyone knows the story of how the Industrial Revolution unfolded in various countries in Europe: a generation of intrepid, often self-taught inventors and mechanics set up their primitive steel foundries and machine shops in hitherto rural areas. In Germany's case, the area was the Ruhr district, and the time was the beginning of the 19th century.

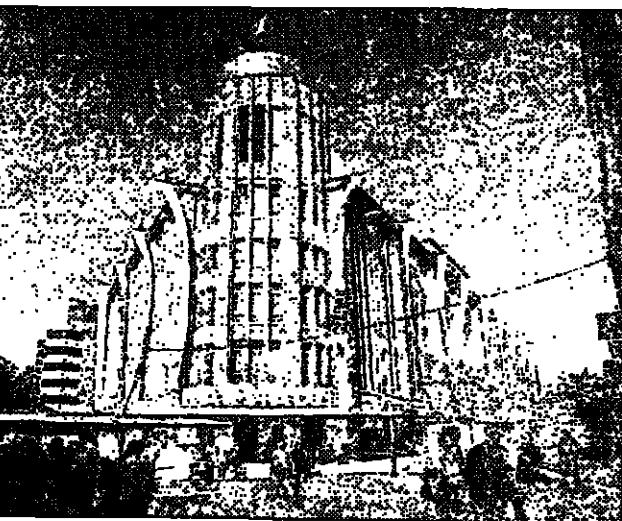
Then came the metamorphosis of the foundries and shops into industrial behemoths: steelworks, chemical factories and locomotive factories, all powered by King Coal, all turning their humble founders into the uncrowned kings of 19th-century Europe.

Sharing the wealth

Hot on the heels of the industrial barons building and operating their factories and coal mines were traders, out to sop up the wealth created by this revolution. The industries grew bigger and bigger, as did the cities around them. Essen's output rose 40-fold and its population 13-fold between 1870 and 1939.

The traders outdid even this breakneck pace, accumulating wealth and trading outlets in a veritable rush. The Ruhr is still home to Germany's three richest families, all of whom earned their money primarily through trading, retailing and associated transport-related services.

With headquarters in the region are their retailing groups, bearing such famil-



Today, Karstadt has 168 main outlets throughout Europe.

iar names as Kaiser's, Tengelmann and Aldi in the supermarket sector, Raab Karcher in the industrial and building goods area, and Karstadt in department store retailing.

The pre-World War I era is often labeled the Age of Steel or Rail or Coal or Colonialism. An unusual but fitting variant might be the Age of Department Stores, pinpointing where the riches were spent. Clustered in such business and industrial metropolises as London, Paris, Berlin and Essen, these stores were, as Walter Deuss, chairman of the board of Karstadt AG, points out, "where our modern, consumer-oriented society took form, where the idea of the service sector was first developed."

Today, Karstadt is one of the household names of Europe's business world, as be-

fits the Continent's largest department store operator, with 168 main outlets and a total group turnover of 28 billion Deutsche marks (\$18 billion).

The birth of emporiums

One hundred and thirteen years ago, Karstadt referred only to Rudolph Karstadt, an aspiring store owner with a single textiles store in Wismar, Mecklenburg. Four years after Karstadt's move, Theodor Althoff also opened up a textiles store, this one in Dülmen, Westphalia. By founding department stores, both merchants profited from and participated in the great retailing boom of the pre-World War I era, with Althoff gravitating toward the heart of it—the Ruhr.

In 1894, he opened his first store in Essen. In 1912, he built the "monument to and the citadel of Essen's

rise to the top—the Kaufhaus Althoff," as Essen's Westdeutsche Allgemeine Zeitung recently termed it. Like its counterparts, Berlin's KaDeWe and Paris's Galeries Lafayette, the Kaufhaus Althoff combined a strikingly modern exterior with an unabashedly sumptuous interior.

International service

Modernized and expanded, the renowned Kaufhaus am Limbeckerplatz still holds pride of place on Essen's retailing scene. Everything else has changed. In 1920, Karstadt and Althoff merged, setting up today's company, which has had its headquarters in Essen since 1950. Karstadt, explains Mr. Deuss, has long since shed its regional roots.

"My own personal ties to the Ruhr district are strong," he says. "I've worked and lived in the region for over 30 years and witnessed its amazing transformation. Like many of Karstadt's employees, I take great pride in the region's many recent achievements." A personal attachment to the region and a professional "multilocal" outlook by no means preclude each other, especially not in this very internationally minded region, he adds.

"In fact, for Karstadt, a multilocal approach is a prerequisite for business operations," Mr. Deuss points out. "Multilocal simply means the in-depth knowledge of 200 local markets, and the ability to act in each of them."

Creating options for a sustainable future

You know what a big electricity company we are. With energy we develop forward-looking concepts in all our activities.

The Ruhr district ranks among the most industrialized regions in the world.

130,000 employees generate annual sales of more than DM 55 billion world-wide.

Active in all divisions: energy, mining and new materials, production and chemical engineering.

Highly qualified and civil engineering, mechanical and plant engineering, waste management for the group and its subsidiaries.

The emphasis is not just on economic success, but on social and environmental responsibility towards society and the environment.

With a good will towards...

...and for the future. Ask for our video and detailed documentation.

RWE

AGTIENGESellschaft

Postfach 10 15 51 • D-45133 Essen • Ruhrgebiet 5, D-45133 Essen

Telefon: 0201 49 52 51 • Fax: 0201 49 52 52

ESSEN AND THE RUHR AREA

ONCE AND FUTURE BUSINESS SECTORS

A look at two of Essen's main livelihoods.

Essen may be Germany's center of energy supply and one of the world's leading hubs of high-end trade, but the city lacks the hulking rows of power plants and long lines of container-laden freighters that this description would suggest.

Essen does have its share of power plants. It also has a large international community and clusters of modern skyscrapers. They house RWE AG, which generates 25 percent of Germany's total electricity and provides a good portion of its gas (through its DEA group), heating oil and other forms of energy; Ruhrkohle AG, Germany's largest coal provider; STEAG, a major operator of district heating schemes; Ruhrgas AG, one of Europe's leading suppliers of natural gas; and DEM-INEC, the country's leading developer of petroleum fields.

They also house the world's largest traders in capital goods, companies whose high-profile transactions are denominated in billions of marks.

Corporate nerve center
For Klaus von Menges, chairman of the executive board at Ferrostaal AG, a simple fact accounts for the discrepancy between the city's livelihoods and its look. "International trading companies generally have a very high portion of their operative staff out in the field," he points out. "Another factor is that communication links are increasingly obviating the need for flying trips to corporate headquarters. It's the same situation in the energy sector. Today, it takes a relatively small number of centrally based people and facilities to configure and operate Europe-wide networks."

Seven decades ago, the situation was completely different. Activities and staff were locally based, and today's big ticket operations were simply interesting sidelines.

In 1926, the Ruhr district's coal cartel had an interesting problem: it had a commercially promising by-product — coke oven gas — and even prospective customers for it. Missing was a way of conveying the gas to the customers and a com-

pany to manage it. The solution was to set up a subsidiary, Ruhrgas, which quickly built first a regional, then a nationwide network of pipelines.

In the 1960s, natural gas in significant quantities was discovered in Germany, and Ruhrgas began its great switchover to this source of energy. Today, Ruhrgas maintains a pipeline network 9,300 kilometers (5,760 miles) long, supplying more than 560 billion kilowatt-hours of natural gas a year.

International industries
In the post-World War I era, the Ruhr's industrial giants set up what were in effect offshore trading outlets. One of them was Ferrostaal, founded in Den Haag in 1921 by Oberhausen's Gutehoffnungshütte Aktienverein (GHH), one of the two fore-runners of today's MAN group. Ferrostaal's initial purpose was to distribute the steel and other items produced by GHH and its partners. In 1930, Ferrostaal was moved to Essen.

There are hundreds of international industrial companies in the world. All have subsidiaries trading in proprietary products through proprietary channels and on proprietary markets. Ten "true" international trading houses, about half of them in Japan, have emerged out of this mass of trading subsidiaries.

These world traders provide a broad range of industrial systems and facilities to a broad range of markets in many different ways. One of them is Ferrostaal, generally regarded as Germany's "truest" trading house. As Mr. von Menges explains, the road from trading subsidiary to trading house was long and evolutionary.

"Throughout the '30s, international contacts were built up with such fledgling customers as the Middle East's petroleum processing industry," he says. "These contacts were reformed in the '50s and upgraded and extended, particularly in such areas as South America. But it was in the '70s that Ferrostaal finally and conclusively crossed the great divide and became a full-fledged trading house. The key move was our acquisition of a structure-building



Klaus von Menges, chairman of Ferrostaal's executive board.

arm and erection facilities."

Ferrostaal's move was well-timed, as it was followed by the industrial take-off of first Southeast Asia and parts of Latin America, then China, South Asia and the Caribbean. These quickly growing regions have had a voracious need for turnkey industrial plants.

High risks, high stakes

It would seem to be a need most industrial companies would be eager to meet. In fact, a number of factors forestall most of them from entering the field, explains Mr. von Menges. "It's a high-risk, high-stakes business," he says. "Customers expect Ferrostaal and other trading companies to be able to deliver plants at fixed schedules and costs — although local operating conditions are often difficult and such projects are highly susceptible to shifts in currency values, in product prices and availability and in transport conditions. Then there is the sheer magnitude and time-frame of such projects. How many companies have either the breadth of expertise or the persistence and depth of focus to take on a multimillion-mark methanol plant in Trinidad or a tire-producing factory in Indonesia, each involving the assembly of thousands of individual, intermeshing parts?"

There is an increasing need for industrial plants and related equipment and a growing number of customers. Not only are many developing countries' economies expanding quickly, they are also going private. Over the last decades, hundreds of state-owned steel, automobile and chemical manufacturers, oil refiners and energy suppliers have been privatized in these countries. New, competing

producers have sprung up.

All-encompassing services
The old days of national near-monopolies is long past," says Mr. von Menges. "A host of relatively lean, sharply calculating, expansion-minded companies has taken their place. This is good for international trading houses, which now have a much wider base of customers. It also, however, places new demands on the houses. These new companies often require an all-encompassing range of services, including everything from arranging project finance to commissioning the production facilities."

In such work, Ferrostaal has two main assets: the capital and technological backing of MAN, one of the world's largest producers of capital goods, and its own human resources.

"Although it's one of the fastest-changing businesses in the world, it's not one you can learn overnight, or even in a single generation," says Mr. von Menges. "Our only capital — aside from the great operational and financial resources of MAN — is the knowledge and contacts our experts and executives have, be they located in our headquarters in Essen or out in the field in Brazil or Thailand or Korea. Another important asset is a well-inured set of nerves, as far as it is possible to achieve something like that in today's constantly changing world."

He continues: "Although I've been in this business for more than 30 years, every time there's an earthquake or a coup or some other act of God or man somewhere in the world, my first involuntary reaction is to wonder: Who do we have there and are they and everybody else all right?"

AN ATTRACTIVE FINANCIAL COMMUNITY

Not only local banks, but also those from other regions are active in this lucrative market.

The 82 universal and savings banks, insurance companies and finance houses in Essen would seem to operate under a serious disadvantage — their home market is very attractive to interlopers.

The latest forecasts are for the Ruhr district to achieve a gross domestic product of 200 billion Deutsche marks (\$133 billion) in 1994, with 28 billion DM of that from Essen alone. The market is also lucrative, as it involves a catchment area of over 240,000 companies and 5.5 million consumers.

These companies and consumers feature levels of profitability and purchasing power well above state averages. All these factors have

says: "Our financial business doesn't necessarily go to Frankfurt or Düsseldorf. Rather, Frankfurt and Düsseldorf often come to Essen." The relatively large size of the region's financial community is attributable to migrants from these cities.

A complex market

Why do they come? "This is," says Mr. Schulte-Kemper, "a market that can't be adequately covered from a distance, especially not its institutional segment. It's too complex for that."

Seventeen highly distinctive communities make up the Ruhr district. Each has its own set of financing needs, revenue and asset

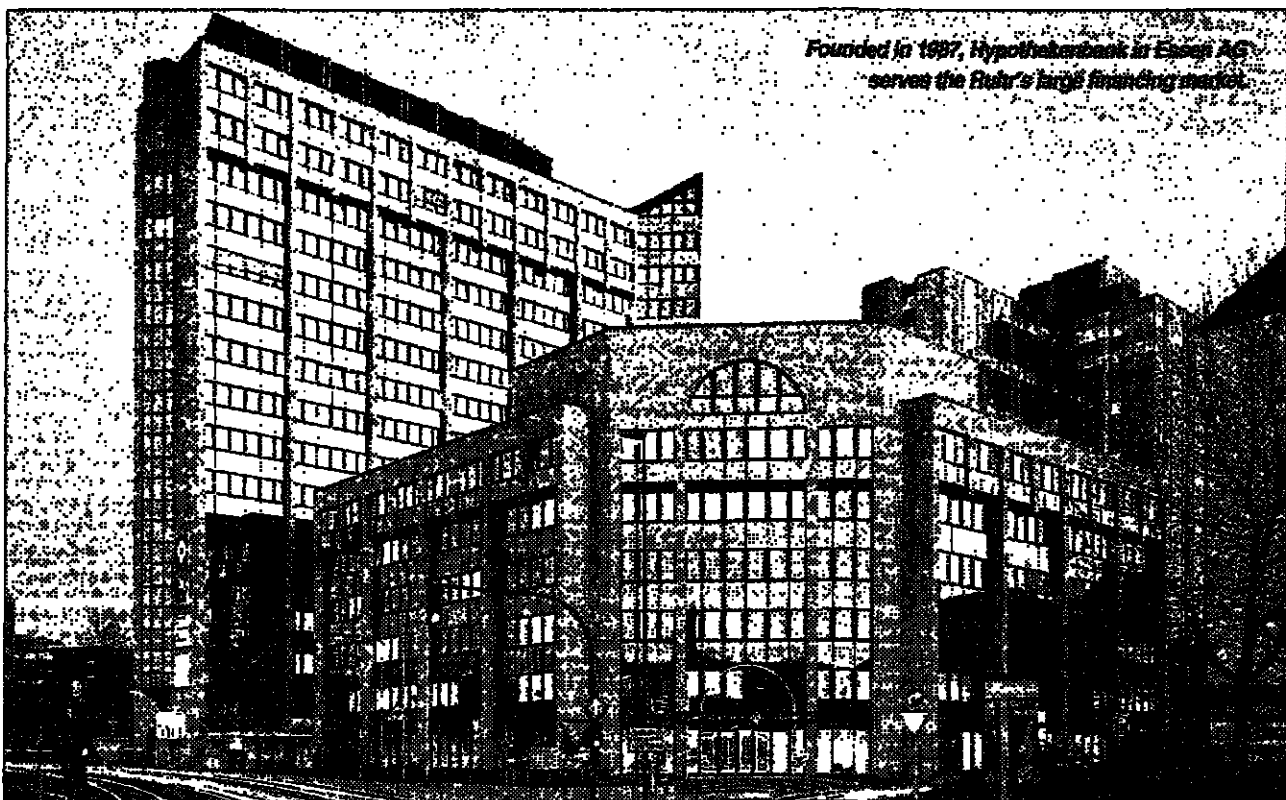
petite for capital and financial services is a wide range of banks, including such public-sector heavyweights as Westdeutsche Landesbank Girozentrale. Providing these banks with refinancing is a range of specialists with proprietary expertise in carefully evaluating municipal balance sheets, compiling cash flow analyses and determining project prospects.

Start-up capital: goodwill
One of these specialists is Hypothekbank in Essen AG. This "mortgage-issuing bank" is one of the newest and most solvent members of Essen's financial community, having been founded in

Frankfurt or Düsseldorf. The question arises: Why Essen?

"Essen had — and has — excellent infrastructure," says Mr. Schulte-Kemper. "It is an attractive place in which to live and in which to recruit financial personnel. Most importantly, the Ruhr district forms a huge financing market, one that has to be covered on the spot. The capital of mortgage banks is their in-depth knowledge of the local property and public sector markets. Local assets form our collateral."

He goes on to cite another reason, one shared by all the bank's founders: "We saw a region in the midst of change, striving to transform everything from its business



Founded in 1992, Hypothekbank in Essen AG serves the Ruhr's large financing market.

been enough to attract the interest of the banking communities in nearby Düsseldorf and Frankfurt. As Hubert Schulte-Kemper, chairman of the board of the Hypothekbank in Essen AG,

bases and budget problems. Joined by state-level bodies, each has spawned an assortment of housing and project development authorities.

Satisfying this enormous individual and collective ap-

1987 by private investors. Because this type of bank is not founded very often — the last was created a quarter of a century ago — and because most new financial operations tend to set up shop in

base to its environment. We took it upon ourselves to support this process. The goodwill arising from our decision to come to Essen turned out to be a bit of welcome start-up capital."

HOME TO NEW TECHNOLOGY CENTERS

German institutes are at the forefront of developing technologies for the future.

One of Germany's very first technology centers was built in Dortmund in 1984. A year later, ETEC (Essener Technologie- und Entwicklungszentrum) opened its doors. ETEC's 22,200 square meters of space and 100 high-tech tenants make it one of Germany's three largest "business nurseries," with a spectrum of innovative products to match. According to newspaper reports, ETEC is the most cost-efficient center of its kind in Germany, even managing to record a profit on ongoing operations.

Cost-efficiency and innovation are also the leitmotifs of the city governments of Duisburg and Oberhausen,

which three years ago became the first cities in Germany to rigorously institute private-sector business practices and cost-accountability in their municipal administrations. They have pared costs by between 15 percent and 21 percent, depending on the department.

Today, the number of technology centers in Germany has passed the 400 mark. Following the Ruhr's lead, nearly every city government is outsourcing services and putting its operations on a businesslike basis.

Germany's seismograph
"The Ruhr has long served as an early-warning seismograph for the rest of Ger-

many," says Herbert Tröschner, ETEC's managing director. "We experienced such problems as the need to revitalize a business base and to trim public-sector costs earlier than the rest of Germany, and therefore we also came up with the answers earlier than other places."

There is, of course, nothing static about this process. "Each year brings with it new problems and new answers at ETEC," Mr. Tröschner points out. "Our initial challenge was simply that of financial survival, and that has involved making sure that our companies would survive."

To that end, ETEC has provided its companies with

every conceivable kind of business development service and assistance, including helping them procure additional funds, set up and run their daily operations and purchase or sell licenses and patents — even hiring a "management coach" to inculcate executive skills.

To acquaint these companies (and the entire region) with the latest advances in their fields, ETEC has also founded centers of energy, environmental and building technologies under its roof. In doing so, it has worked with leading American institutes and universities.

Model for the East
Now operating at a near-full occupancy rate and with a solid lineup of solvent tenants, ETEC has mastered those challenges. Others have come from external sources. Following German unification, many communities in Eastern Germany sought to transplant what is now called the "Essen role model" to their areas. ETEC has responded, providing financial and technical support as well as a new facility in Cottbus, Brandenburg. COTEC (Cottbus Technologie- und Entwicklungszentrum) is "a very viable proposition and a role model for its region," reports one local newspaper.

ETEAC has ranged even further eastward, holding seminars and workshops aimed at promoting the development of business in and with the CIS countries. "It's in those regions that the need for innovation and cost-efficiency are especially high," says Mr. Tröschner.



Essen's ETEC has proved a model for a similar facility in Cottbus, Brandenburg.

CUBIS

Welcome to the summit of technology

In terms of size and technical expertise,

the CUBIS Group is unique in the world:

6,000 CUBIS personnel in more than 30 nations are involved in

■ research, development, consultancy, inspection, certification, education and training

in the fields of

■ the environment, raw materials, information and energy technology, as well as safety and transportation technology.

More than 80 companies operate under the CUBIS umbrella, including

■ RWTÜV, DMT, CETECOM, RWTÜV Far East, CarboTech, TÜV UK, TÜV India...

To find out more about CUBIS AG, just write or give us a call:

■ Steubenstrasse 53, 45138 Essen, Germany

Phone ++ 49 201 825-2238

Fax ++ 49 201 825-2244

CUBIS

Grouping together a powerful team

SPONSORED SECTION

ESSEN AND THE RUHR AREA

PUBLIC AND PRIVATE ART PATRONAGE

Must money be the enemy of art? Not necessarily.

The creative process has a tenacious ability, wily-nilly, to flourish in money's relative absence. The only preconditions for its nourishment are cheap, easily available studios and an artistic tradition. The Ruhr district has both in abundance. "Its plenitude of loft and gallery space, a legacy of its industrial and mining past, has proven a veritable seedbed for new artists and new art movements," reports Harald Polenz, cultural journalist and expert on the local arts scene. The region's tradition of plainspoken, effective modern art started with the sculptor Wilhelm Lehmbruck and the painters Otto Pankok and Werner Gilles.

Recent cultural history is replete with overfunded extravaganzas of little artistic merit. The key link between quality and quantity in art must always be discernment.

Record exhibitions
On Nov. 1, 1993, Essen's Folkwang Museum closed its doors on "Morosow and Schtschukin - the Russian Collectors." The exhibition was a portrayal of the consummate sense of discernment evinced by these two Moscow-based merchants. On display were 120 of the French Impressionists and early-20th-century "Classic Modernists" they collected between 1866 and 1914. Many of these masterpieces had never been shown before in the West.

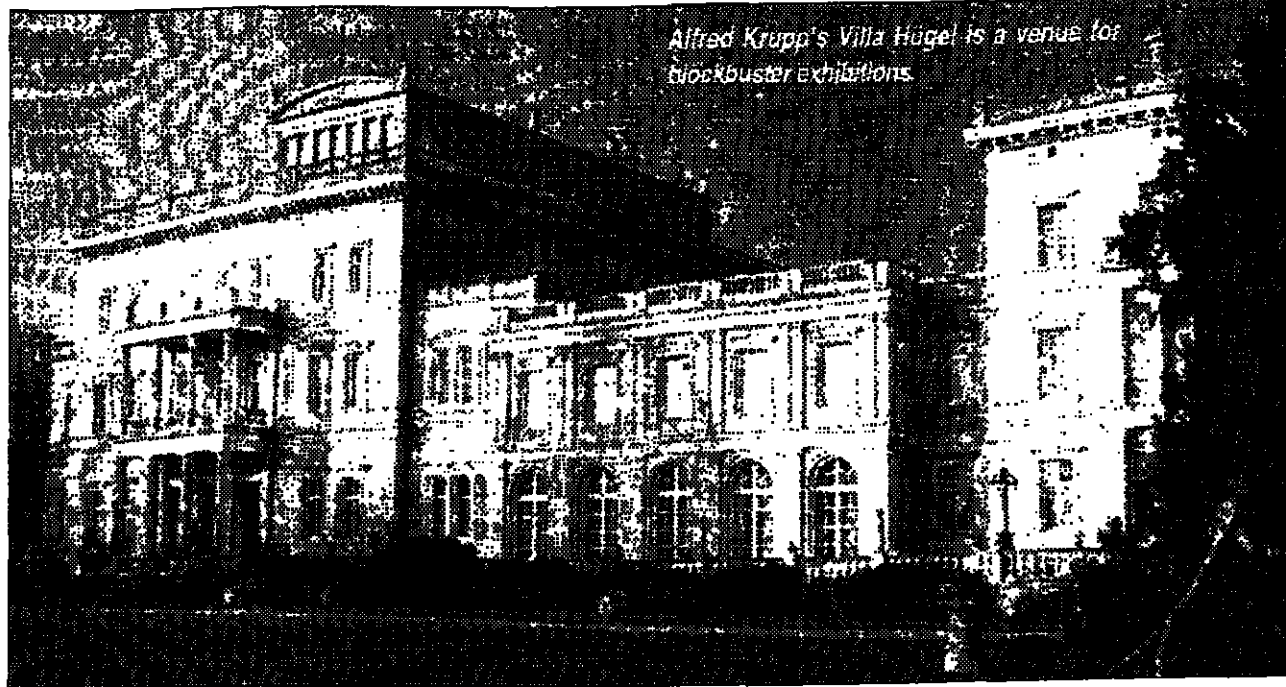
The exhibition was viewed by 572,000 people, a new all-time record for the German art scene, plus nearly half a million more at its two other venues, Moscow

and St. Petersburg. It was sponsored by Ruhrgas AG, Germany's leading supplier of natural gas. This record-setting was also a repeat performance. The country's previous all-time "most-visited" exhibition had been "Van Gogh and the Moderns," held at the same museum three years earlier, with the same sponsor.

The Ruhr's exhibitions of visual art are not confined to one-shot affairs at its marquee venue. The district has Germany's broadest base of art on permanent exhibition. Its 135 collections include the Judaica collection in Essen's Old Synagogue and Mülheim's Städtisches Museum. The Design Zentrum Nordrhein-Westfalen, located in Essen, is one of Europe's main centers for presentations and retrospectives of contemporary design in all its forms.

Private-sector patrons
Funding for all these museums comes from philanthropic firms, private citizens and benevolent associations, with a strong contribution - to the extent their budgets allow - from local and regional governments.

"On the German art scene, it's long been viewed as an incongruity that a region with such strained public-sector finances should have such an unparalleled art scene," says Klaus Liesen, chairman of the executive board of Ruhrgas AG. "In Germany, artistic activity is often mistakenly viewed as deriving from public-sector support. In the Ruhr district, we've followed the example of the Americans and the British and relied heavily on



Alfred Krupp's Villa Hügel is a venue for blockbuster exhibitions.

the private sector as a source of sustenance. That sustenance has been forthcoming in gratifying amounts."

By now, the private sector's interest in and support of the arts is a tradition that is over a century old.

"The Essen region's assemblage of visual art arose as a 'spillover effect' from the accumulating of our great family fortunes and from the forming of the region's far-flung business relationships," says Klaus von Menges, chairman of the executive board at Essen's Ferrostaal AG. "In their own ways, the late-19th-century industrial barons - the Krupps, Hanfsteins, Thyssens - were Renaissance men. There was literally nothing that escaped their interest. Art and architecture occupied a prominent place."

Industrialists' legacies
One expression of this universal interest is the Villa Hügel, designed by Alfred Krupp and completed in 1873. The Villa Hügel features his resplendent collection of folios, furniture and tapestries. Today, this 175-room mansion is a venue for blockbuster exhibitions.

Another is the Folkwang's permanent collection of Impressionists, Expressionists, Fauves and Surrealists, which originated in the discernment of Karl Ernst Osthaus, the archetype of the late-19th-century industrialist-collector.

While the industrialists were laying the groundwork for their vast collections, their companies were building up a network of business relationships around the world. A company like Krupp maintained business relationships with such far-away countries as China, Argentina and Russia as early as 1870. Over the decades, these relations first yielded flows of sales and supplies, and later works of art.

"Long-term business relationships - and we at Ruhrgas have worked closely with our gas suppliers for decades - yield a deep understanding of and interest in the partner's country and culture, plus the trust facili-



Essen's Old Synagogue is also a museum of Judaica.

tating an exchanging of works of art." Mr. Liesen points out. The Ruhr's commercial emissaries have displayed an undeniable propensity for collecting works of art.

Bringing it back home

"I believe a form of preselection explains that characteristic," says Mr. von Menges. "Any person willing to leave home and conduct business abroad is bound to have an innate curiosity and an interest in other cultures. International business networks are generally staffed by such 'world discoverers,' who often have an understandable drive to collect the visual fruits of their discoveries."

This drive is quite apparent to visitors to local companies' headquarters. Virtually all of them have in-house exhibition spaces, including Ferrostaal's Small

Gallery, which displays works by non-European artists practically unknown in Germany. Nor is this patronage confined to the visual arts. "Many of our major international festivals and cultural events, such as the Ruhr's Klavier Festival and the Ruhrfestspiele Recklinghausen, wouldn't even be conceivable without private sector patronage," says Mr. Polenz.

Musical haven

The partnership between the public and private sectors in fostering the arts has taken some unusual forms. Everything about the Philharmonia Hungarica - "PH" for short - is unique to the German cultural scene. It was founded in 1956 by many of Hungary's best musicians, who had been forced to flee the country following its failed rebellion against Soviet rule. The PH soon

found a new home in Marl, a town in the Ruhr district's northern stretches. It also secured support from a new partnership of patrons, including the German federal government and a variety of private-sector sponsors, several of them based in the PH's new home region.

"In addition to its undeniable excellence and its moving story, there is another reason to support the orchestra," says Hubert Schulte-Kemper, chairman of the Hypothekbank in Essen AG, a main sponsor. "The Ruhr has thrived on being an agglomeration of diverse individual communities and diverse individual cultural bodies funded in a wide diversity of ways. You can find world-class culture virtually anywhere in the world, but not this concentrated diversity. And this diversity requires constant cultivation and upkeep."

CONGENIAL HABITAT FOR 'GREEN' TECH

The area is a showcase for environmental technology.

A region confronted with industrial pollution longer than almost anywhere else in the world has transformed a century of often bitter experience into a host of new technologies.

As of April 1995, Germany will have 40,000 tons less of mixed plastic packaging and 32,000 tons more of high-quality synthetic oil - the result of the first year of operations of the country's first polymeric hydrogenation plant, located in Bottrop and operated by Essen's Ruhrkohle Umwelt GmbH and Gelsenkirchen's Veba Oel AG.

The plant is highly efficient. Only 10 percent of its energy is lost in the hydrogenating process. Its products are still relatively expensive, costing more than conventional crude oil, but with charges levied on the disposal of plastic wastes steadily increasing, the facility would seem to have a viable commercial future.

Next shortage: waste plastic

The Bottrop plant is expected to quadruple its consumption of waste plastic by 1996, at which time similar plants are scheduled to come on-stream. This may set the stage for a highly welcome situation: a shortage of waste plastic in Germany, similar to the current one in waste paper.

Natural gas is the cleanest and most efficient of all fossil fuels, especially when it releases its energy without being combusted. That is precisely what Thyssengas's fuel cell does: it uses acid-based electrochemical reactions to cogenerate heat and electricity. Its rate of energy efficiency is 88 percent, a world record. Associated pollution is virtually nil. The fuel cell is to be used in decentralized, locally based power stations. The largest such power station, located in Bochum, is currently being put through its paces.

COAL'S LEGACY

Former mine buildings are now leisure-time venues.

Half a generation of would-be poets, late-night rockers, day-care children and visitors on the Grand Architectural tour have been on the Zeche Carl's 3,500 square meters of halls and rooms and have admired its Art Nouveau flourishes and massive beams while enjoying the cultural events held in them.

Many have not quite realized the mine buildings' true vocation: serving as a symbol for a city and its accomplishment of conscious change.

For 114 years, Zeche Carl was anything but a symbol. It was one of 26 mines in the

Essen business district. The work was dirty and often dangerous, and up to 20 million tons of coal a year was extracted from the mines, enough to fuel much of the Ruhr district and Germany's industrial revolution.

In 1970, Zeche Carl was shut down. In 1986, the last mine in Essen, Zollverein, followed suit. Since then, one after another, the mine buildings have been restored.

Today, they are the venues for some of Europe's liveliest and loudest nightlife. Zeche Carl is the scene of some 400 cultural events a year.

A GUIDE TO ESSEN AND THE RUHR

The region offers a range of sights and attractions.

• The Ruhr district is green - too green in the opinion of those who, on a nearly regular basis, manage to get temporarily lost in the Hohe Mark's 1,000 square kilometers of greenery. For hundreds of thousands of local residents, however, the Hohe Mark is a problem-free venue for an afternoon hike, bicycle tour or picnic. For regional planners, the nature preserve, the largest and oldest in a metropolitan area, is a symbol of the successful coexistence between ecology and economy.

• The "Margarethe" of the Margarethenhöhe was Margarethe Krupp. It was her donation of land and money in 1906 that led to the building of what has been called "Europe's most gracious, extensive garden city," originally exclusively for the use of Krupp's work force. Today open to the general public, this human-scale assemblage of 1,000 homes, several market squares and parks has served as the prototype for integrated developments located everywhere from New York to New Delhi. The first work-force residential quarter in Germany was Oberhausen's Eisenheim, whose cozy comfort puts an unexpectedly human face on the early industrial revolution. It was built in 1844.

• The Rhine meets the Ruhr in Duisburg. The junction forms the world's largest inland harbor, with 50 million tons of throughput a year. The harbor itself is a collection of 19th-century

brick warehouses, industrial monuments and low-profile taverns. Two-hour boat tours are available.

• The Ruhr is a collection of marvelous, playfully restored industrial structures. The most playful of all is Hamm's Glass Elephant, once the coal-conveying tower of the Maximilian mine, today - refurbished and clad with glass - a wide world's most unusual greenhouse. Other industrial structures worth a special trip include the region's various Malakoff towers, named after the battle in the Crimean War.

• A short boat trip to the Roman Empire, a short train trip to the Stone Age: riverboats link the heart of the Ruhr district with Xanten, 35 kilometers down the Rhine toward the Netherlands. Dating back to 15 B.C., Xanten was the first Roman settlement in northwestern Germany. It takes about 40 minutes to get from downtown Essen to the Neanderthal valley and Age. Today, the valley is a favorite site for outings, while the Age and its Man are best appreciated in the nearby Paleontological Museum.

• The preindustrial Ruhr was thickly clustered with venerable abbeys, castles and Baroque palaces - all to be seen in today's postindustrial Ruhr. Notable among them are Essen's Schloss Hugenpoet, whose moats now protect tourists and visiting business executives. The castle is a five-star hotel.



Picasso's "Absinthe Drinker," shown at the Folkwang Museum.

PERENNIAL ATTRACTIONS: ESSEN'S CULTURAL BASTIONS

The city offers music, theater, dance - and some very distinctive architecture.

• A rather unusual distinction was conferred upon the Aalto Theater. It was already being hailed as one of Germany's great architectural masterpieces even before it was built. It took three decades for the design by Finland's Alvar Aalto, one of the world's leading architects, to be rendered in glass and white stone. Launched in 1988, the Aalto theater is one of Germany's leading venues for music and dance. It is one of the well-regarded

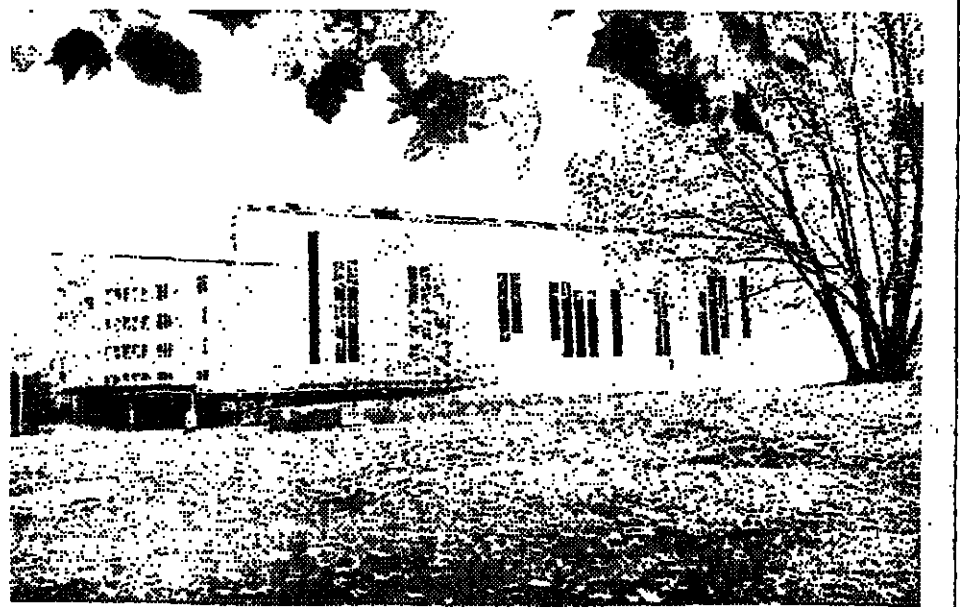
Essen Philharmonic's two homes, the other being the Saalbau, also a major venue for congresses and conferences.

• The Grillo Theater's exterior gives a good indication of what to expect inside. The theater's front is resolutely modern, its back, Georgian. Correspondingly, the Grillo offers a mix of modern drama and well-loved works from the standard cannon.

• It is a fitting setting for a famous chamber music

ensemble: the Folkwang Kammerorchester's concerts are held in the Villa Hügel's palatial, glass-domed "festival hall."

• Even in a city of highly distinctive neighborhoods, Werden stands out. Located in Essen's southern green belt, Werden features a very individualistic mix of intense cultural activities and idiosyncratic lifestyles. Werden's "Bürgermeisterhaus" is the venue for a full program of recitals and concerts.



The Aalto Theater, called "a symphony in granite and glass."

Useful Addresses

The City of Essen
Rathaus
Proseplatz
45121 Essen
Tel.: (49 201) 88 30 13
Fax: (49 201) 88 51 29

Th. Goldschmidt AG
Goldschmidtstrasse 100
45127 Essen
Tel.: (49 201) 173 26 96
Fax: (49 201) 173 18 38

Chamber of Commerce and Industry
Essen, Mülheim an der Ruhr and Oberhausen
Am Waldhauspark 2
45127 Essen
Tel.: (49 201) 18 92 0
Fax: (49 201) 20 78 66

Ruhrgas AG
Huttopfstrasse 60
45138 Essen
Tel.: (49 201) 184 00
Fax: (49 201) 184 37 66

Messe Essen GmbH
(trade fair authority)
Messehaus Ost
Norbertstrasse
45001 Essen
Tel.: (49 201) 724 40
Fax: (49 201) 724 42 48

Karstadt AG
Theodor-Althoff-Strasse 2
45133 Essen
Tel.: (49 201) 727 25 38
Fax: (49 201) 727 47 91

ETEC GmbH
Essener Technologie- und Entwicklungs Zentrum
Kruppstrasse 82-100
45145 Essen
Tel.: (49 201) 812 71 16
Fax: (49 201) 812 71 88

IBA
Internationale Bauausstellung
Emscher Park
Leibnizstrasse 35
45886 Gelsenkirchen
Tel.: (49 209) 170 30
Fax: (49 209) 170 32 98

RWE AG
Kruppstrasse 5
45128 Essen
Tel.: (49 201) 185 51 20
Fax: (49 201) 185 52 52

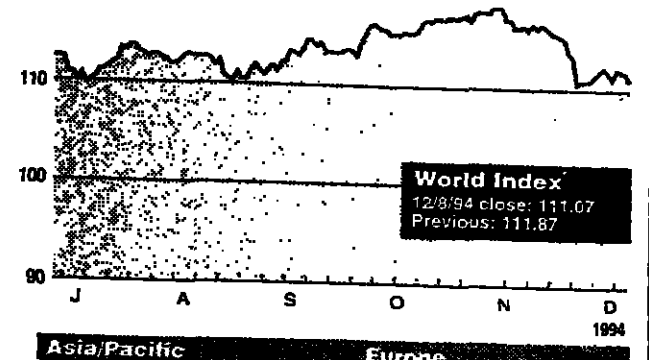
Ferrostaal AG
Hohenzollernstrasse 24
45128 Essen
Tel.: (49 201) 818 25 25
Fax: (49 201) 818 28 22

CUBIS AG
Steubenstrasse 53
45128 Essen
Tel.: (49 201) 825 32 38
Fax: (49 201) 825 22 44

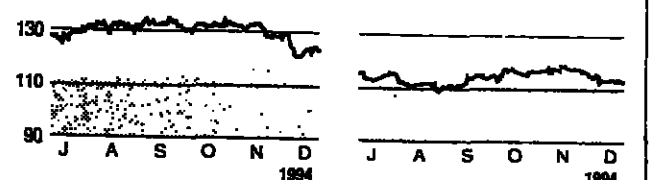


THE TRIB INDEX: 111.07

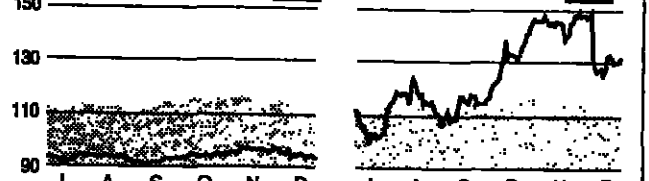
International Herald Tribune World Stock Index (12/8/94 close: 111.07, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100).



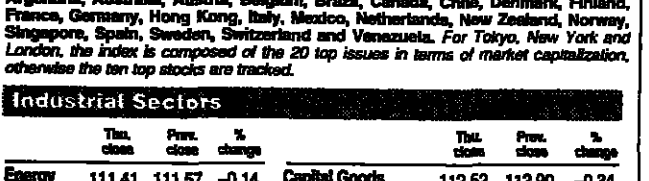
World Index
12/8/94 close: 111.07
Previous: 111.87



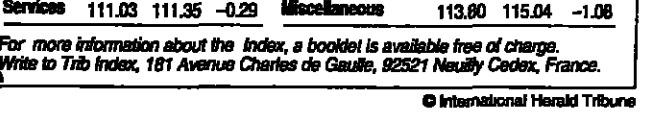
Asia/Pacific
12/8/94 close: 128.89
Previous: 124.07



Europe
12/8/94 close: 113.25
Previous: 113.25



North America
12/8/94 close: 113.02
Previous: 113.02



Latin America
12/8/94 close: 113.04
Previous: 113.04

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

© International Herald Tribune

Americas' Free-Trade Goal: 2005

Summit to Plan Hemispheric Pact

By David E. Sanger
New York Times Service

WASHINGTON — The United States and 34 countries in Latin America will announce at a summit meeting in Miami this weekend plans to expand the North American Free Trade Agreement to include virtually all countries in the hemisphere in the next decade, officials from several countries have said.

The agreement, reached after long negotiations over the last several days, calls for the creation of a "Free Trade Area of the Americas" by 2005.

Separately, the United States, Mexico and Canada are expected to announce that Chile will be included in the North American Free Trade Agreement in the next several years.

Initially Washington was reluctant to set a target date for the expansion of the trade agreement, which passed in Congress only after a long battle. But at a meeting at the State Department last week, many of the countries that will be represented at the Miami meeting surprised the U.S. government by insisting on a specific date for a trade accord that would give them the same benefits now held by Mexico.

"Until then, we didn't understand how strong the momentum was," a U.S. official involved in the talks said Thursday. Getting these countries up to the standards required under the terms of the free trade agreement in the next 10 years will not be easy, Mexico is dominated by a single party, a pliant Parliament and a

powerful economic elite that had a huge stake in free trade with the United States and the power to order the economic changes that the trade accord requires.

But other countries in the hemisphere may find it politically difficult to accept the economic requirements of a free-trade accord, particularly the provisions guaranteeing basic worker rights — from minimum wages to working conditions — and protection of the environment.

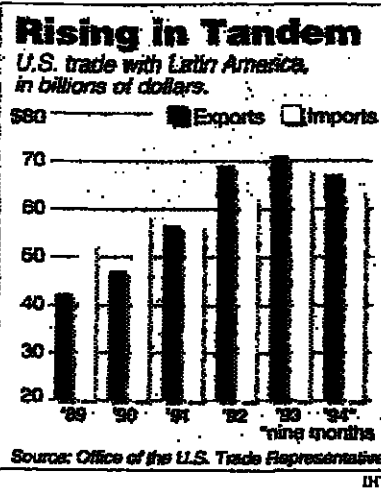
Such protections, long an issue with the AFL-CIO and other labor groups that contend that American workers are being undercut by imports from countries that exploit workers and resources, are referred to only in the vaguest terms in the draft communiqué that the 34 nations plan to issue at the conclusion of the conference on Sunday.

In the draft, the countries agree to "strive to make our trade liberalization and environmental policies mutually supportive," and to "secure the observance and promotion of worker rights, as defined by appropriate international conventions."

The White House contends that such wording was a major victory, because Brazil and other countries wanted no reference to worker rights or the environment in the communiqué.

"We pushed very, very hard," one official involved in the talks said. "They agreed only because everyone wants a successful summit."

But in a letter to President Bill Clinton on Wednesday, the Democratic leader in



Source: Office of the U.S. Trade Representative

Orange County Sours Markets And Civic Mood

Compiled by Our Staff From Dispatches

NEW YORK — Ripples from affluent Orange County's bankruptcy spread further Thursday, unnerving more investors on Wall Street, affecting some Southern California services and prompting a warning from the Securities and Exchange Commission, the top U.S. market regulator.

Stocks and bonds weakened as worries about the consequences of the Orange County situation caused some selling in the municipal bond market, which spilled over into other bonds and stocks.

"There's just a general malaise in the market," said Hildegard Zagorski, an analyst at Prudential Securities in New York.

Despite assurances by officials in Orange County that the crisis would be resolved and that government services would be maintained, there were signs that the bankruptcy filing Tuesday was beginning to be felt by citizens.

The city of Anaheim froze all hiring and halted capital improvement projects. Orange County Water District officials said they might not be able to meet their payroll in two weeks without financial help. La Habra City School District officials said they probably would delay a \$1.5 million elementary school expansion.

Orange County also threatened to sue brokerage firms for selling and selling as much as \$5 billion in securities from its portfolio, saying the assets had been frozen as part of its bankruptcy filing.

In New York, speaking at a meeting of the Public Securities Association, a trade group of bond dealers, the SEC chairman, Arthur Levitt, said the bankruptcy could make it tougher for other municipalities to sell bonds.

"Whenever a market event occurs, it creates problems for issuers, and I would expect that would be the case here as well," Mr. Levitt said. "Clearly, it's not a friendly environment out there for issuers."

He also said the Orange County situation had aggravated weakness in the bond market, which has been declining for much of the year.

This week, Orange County disclosed that its investment fund had fallen \$1.5 billion in value because of rising interest rates after major investment banks refused to renew the county's short-term loans.

The fund invested heavily in derivative securities, which are complicated and sometimes volatile investments linked to such underlying assets as groups of stocks or commodities. The investment strategy was in effect a risky bet that interest rates would fall.

Now It's Out: Derivatives Raise Risks

By Carl Gewirtz
International Herald Tribune

PARIS — It has been the talk of financial markets for years, and now it's official: Central bankers confirmed Thursday that their decades-long drive to deregulate and liberalize markets has reduced their room to make mistakes.

In a report on the policy issues raised by the growth of derivatives markets, officials from the central banks of the leading industrialized countries concluded that they "need to take greater care to ensure that their policies do not contribute to uncertainty, but rather facilitate the formation of stable noninflationary expectations."

The report is described as a first assessment in an ongoing examination of the implications of derivatives markets for policymakers and the functioning of markets.

The term derivatives covers a range of complex financial arrangements used to defray the risk of changes in interest rates, stock prices, foreign-exchange rates or commodities prices. Derivatives are a bet on the direction and amount of change in these instruments, rather than underlying instruments themselves.

The market for these financial products has expanded at a phenomenal rate since the mid-1980s. Regulators have long worried about the size of the

See REPORT, Page 16

Prices Push China to Hand Out Coupons

Compiled by Our Staff From Dispatches

BEIJING — China has reintroduced grain coupons for workers employed in ailing state industries in big cities to ensure sufficient food supplies and stave off social unrest amid the highest inflation in 45 years, officials said Thursday.

And a vice president of the central bank has called for improved controls on the money supply to curb inflation.

"The main aim of issuing grain coupons is to stabilize prices and to maintain social stability," an official of the Grain Bureau in Chongqing, the sprawling industrial capital of central Sichuan Province, said.

Underlining government anxieties about supply, Cercoils, which manages the

grain trade, said this week that China had temporarily suspended exports of rice and corn due to insufficient stocks.

Beijing issued an urgent appeal Thursday for investment in agriculture, warning

Falling stock markets make new Chinese issues difficult to sell. Page 20.

that farmers were spending bank loans on extra children and lavish weddings.

"Grain output is stagnant, farmers' incomes are rising more slowly, the agricultural base is weak, development is lagging, and this has become an outstanding problem in national economic development,"

Shanghai's Bund Buildings, Worn but Grand, Hit Market

Reuters

SHANGHAI — What could be the property sale of the century, at least for some — the return of Shanghai's waterfront Bund buildings to their original foreign owners — is officially under way, newspapers reported Thursday.

Banque Indosuez, formerly Bank of Indochina, has signed a letter of intent with the city government to buy back its old property, which now houses the headquarters of the traffic police.

Hong Kong's Wah Kwong Shipping Agency and Thailand's Bangkok Bank initiated similar agreements Wednesday.

Two Chinese concerns — Bank of China and Changjiang Shipping Corp. — also signed papers to recover their buildings.

A collection of 37 properties along the Huangpu River, many of them built in the 1920s and 1930s when Shanghai was the financial hub of Asia, are up for grabs.

Many are neoclassical masterpieces that have been in mothballs since the 1949 Communist revolution. All are dilapidated and house the clutter of a government bureaucracy that seized the area after Shanghai fell to the Communist forces.

WALL STREET WATCH

Bonuses Start to Look Thin Again

By Kenneth N. Gilpin
New York Times Service

NEW YORK — Wall Street is preparing for its first pay cut since 1990. Salaries, including bonuses, could plunge as much as 40 percent, after three record years of profits and revenues.

The sharp reduction reflects a stark bottom-line reality: This year, profits are expected to drop 80 percent, to \$1.8 billion, from the record \$8.6 billion earned in 1993, according to the Securities Industry Association.

Most investment firms are still assessing the damage, but Goldman, Sachs & Co., Wall Street's last remaining private investment bank, has said it will cut discretionary bonuses to its top people by as much as 75 percent.

It is too soon to say whether the smaller paychecks will prompt widespread poaching by rival firms. Analysts expect some tempting offers to be accepted. But they argue that switching jobs on Wall Street is not as easy as it used to be, because of changes made during the last five years in the way the top earners are paid.

Bonus compensation will show "a huge fall-off from last year," said Gary Goldstein, president of the Whitney Group, a Wall Street executive search company, "but that is primarily because we are coming off a peak year in 1993, when every functioning area had a great year and everyone got paid very well."

Last year, Wall Street's best ever, the 10 biggest investment banking firms paid \$6.8 billion in total compensation on

revenues of \$14.3 billion, according to the Securities Industry Association.

From 1991 to 1993, when earnings and revenues set new records every year, compensation at those firms rose more than 50 percent.

Mr. Goldstein and others said they

Wall Street compensation plans now to tie the individual rewards much more closely than before to a firm's overall performance, which means that in a bad year for the firm, compensation declines.

expected bonuses this year to be almost as "bad" as they were in 1990.

That year, the 10 biggest investment banking firms paid about \$4 billion in total compensation. If that forecast is borne out, it would represent a drop in total compensation of more than 40 percent from last year's levels.

But at the same time it could represent a higher percentage of the firms' earnings, because those have fallen sharply this year.

Such a cut would hurt, in relation to

the Wall Street scale of things. Midlevel senior associates and vice presidents often receive base pay of less than \$100,000 but in good years get bonuses that bring total compensation to as much as \$600,000.

Many managing directors do not get much more in straight salary, but when business is booming, they can make many times more in bonuses.

But taking another job — or getting another offer — may not be as easy as they think.

That is because since the late 1980s, Wall Street's last bad stretch, most publicly owned firms have moved away from the all-cash bonus and are paying bigger portions in stock, doled out in ways that prohibit employees from cashing it in for as long as five years after they receive it.

And that can make taking a new job costly for both the hunter and the hunter.

At some firms, including Merrill Lynch & Co., stock owned but not yet owned can be forfeited if an employee chooses to leave.

In addition, compensation plans have been retooled to tie individual performance and rewards much more closely to a firm's overall performance, which means that in a bad year for the firm compensation will decline, even if a particular department performs well.

"These deferred-stock programs make it tougher to move around," said William Hartman, a securities industry analyst at J.P. Morgan & Co. "The handcuffs are getting golden."

CURRENCY & INTEREST RATES

Cross Rates									
	USD	DEM	GBP	JPY	CHF	FRF	ITL	ESP	YEN
Australia	1.540	2.291	1.258	1.088	1.368	1.329	1.256	1.256	1.256
Canada	0.710	1.065	0.598	0.518	0.648	0.625	0.602	0.602	0.602
France	6.563	100.00	6.563	5.636	16.654	100.00	16.654	16.654	16.654
Germany	1.936	100.00	1.936	1.636	4.835	100.00	4.835	4.835	4.835
Italy	1.936	100.00	1.936	1.636	4.835	100.00	4.835	4.835	4.835
Japan	1.000	148.36	0.0074	1.000	3.7574	0.0026	1.000	0.0026	1.000
UK	0.756	100.00	1.000	0.636	1.936	100.00	0.636	1.936	100.00
Switzerland	0.710	100.00	0.598	0.518	0.648	100.00	0.518	0.648	100.00
Spain	1.666	100.00	1.666	1.418	3.936	100.00	1.418	3.936	100.00
Sweden	1.483	100.00	1.483	1.258	3.436	100.00	1.258	3.436	100.00
South Africa	1.540	100.00	1.540	1.318	3.636	100.00	1.318	3.636	100.00
South Korea	1.000	180.33	0.0055	1.000	2.836	0.0035	1.000	0.0035	1.000
Taiwan	1.000	248.36	0.0040	1.000	7.436	0.0134	1.000	0.0134	1.000
Thailand	1.000	50.33	0.0199	1.000	2.536	0.0394	1.000	0.0394	1.000
US Dollar	1.000	65.55	0.0156	1.000	0.756	0.1493	1.000	0.1493	1.000
Yen	1.000	148.36	0.0074	1.000	3.7574	0.0026	1.000	0.0026	1.000

Eurocurrency Deposits									
	1 month	3 months	6 months	1 year	2 years	3 years	4 years	5 years	10 years
Australia	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%
Canada	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%
France	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Germany	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Italy	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Japan	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%
UK	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Switzerland	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Spain	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Sweden	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
South Africa	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%
South Korea	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%
Taiwan	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%
Thailand	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%
US Dollar	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%
Yen	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%

Key Money Rates									
	USD	DEM	GBP	JPY	CHF	FRF	ITL	ESP	YEN
Australia	1.540	2.291	1.258	1.088	1.368	1.329	1.256	1.256	1.256
Canada	0.710	1.065	0.598	0.518	0.648	0.625	0.602	0.602	0.602
France	6.563	100.00	6.563	5.636	16.654	100.00	16.654	16.654	16.654
Germany	1.936	100.00	1.936	1.636	4.835	100.00	4.835	4.835	4.835
Italy	1.936	100.00	1.936	1.636	4.835	100.00	4.835	4.835	4.835
Japan	1.000	148.36	0.0074	1.000	3.7574	0.0026	1.000	0.0026	1.000
UK	0.756	100.00	1.000	0.636	1.936	100.00	0.636	1.936	100.00
Switzerland	0.710	100.00	0.598	0.518	0.648	100.00	0.518	0.648	100.00
Spain	1.666	100.00	1.666	1.418	3.936	100.00	1.418	3.936	100.00
Sweden	1.483	100.00	1.483	1.258	3.436	100.00	1.258	3.436	100.00
South Africa	1.540	100.00	1.540	1.318	3.636	100.00	1.318	3.636	100.00
South Korea	1.000	180.33	0.0055	1.000	2.836	0.0035	1.000	0.0035	1.000
Taiwan	1.000	248.36	0.0040	1.000	7.436	0.0134	1.000	0.0134	1.000
Thailand	1.000	50.33	0.0199	1.000	2.536	0.0394	1.000	0.0394	1.000
US Dollar	1.000	65.55	0.0156	1.000	0.756	0.1493	1.000	0.1493	1.000
Yen	1.000	148.36	0.0074	1.000	3.7574	0.0026	1.000	0.0026	1.000

Forward Rates									
	30-day	60-day	90-day	180-day	360-day	540-day	720-day	900-day	1080-day
Australia	1.540	1.540	1.540	1.540	1.540	1.540	1.540	1.540	1.540
Canada	0.710	0.710	0.710	0.710	0.710	0.710	0.710	0.710	0.710
France	6.563	6.563	6.563	6.563	6.563	6.563	6.563	6.563	6.563
Germany	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936
Italy	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936	1.936
Japan	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
UK	0.756	0.756	0.756	0.756	0.756	0.756	0.756	0.756	0.756
Switzerland	0.710	0.710	0.710	0.710	0.710	0.710	0.710	0.710	0.710
Spain	1.666	1.666	1.666	1.666	1.666	1.666	1.666	1.666	1.666
Sweden	1.483	1.483	1.483	1.483	1.483	1.483	1.483	1.483	1.483
South Africa	1.540	1.540	1.540	1.540	1.540	1.540	1.540	1.540	1.540
South Korea	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Taiwan	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Thailand	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
US Dollar	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Yen	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Economy In Germany Speeds Up

Compiled by Our Staff From Dispatches

FRANKFURT — The West German economy showed unexpectedly strong growth in the third quarter, according to official figures released Thursday, with domestic demand supporting exports as the motor of recovery.

Unemployment also fell again in East and West Germany, and economists said the recovery was gaining momentum.

The Federal Statistics Office said gross domestic product grew 1.5 percent from the second quarter and was up 2.4 percent from a year earlier, its best performance in more than two years.

"The recovery that was initially supported by exports is increasingly moving over into domestic demand," Economics Minister Ginter Rexrodt said.

Mr. Rexrodt said rising investment by German companies was the basis for securing existing jobs and creating new ones as well as increasing the country's competitiveness.

"Private consumption is also proving more robust than generally expected,"

MARKET DIARY

Hopes for Rate Rise Give Dollar Help

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose Thursday amid persistent speculation that U.S. short-term interest rates would soon rise and as concern in the foreign-exchange market about the financial crisis in Orange County, California, faded.

"People are dollar-bullish because of where they think U.S. interest rates are headed," said Marc Chandler, an analyst at Ezra Zask and Associates.

Orange County's bankruptcy filing, which followed losses in trading in derivatives, hurt the dollar Wednesday, blunting the effect of comments by Alan Greenspan, Federal Reserve Board chairman, that led traders and analysts to conclude that the central bank plans another interest rate increase.

Mr. Greenspan told members of Congress that the economy was still growing rapidly, even though the Fed had raised rates six times since February.

"Greenspan opened the door for another rate increase, and that's helping the dollar," said Jerry Egan, director of foreign exchange at MTB Bank.

The Fed holds its next meeting on monetary policy Dec. 20, with another slated for Jan. 31. "The question now is whether the Fed raises rates before the end of the year," said Gary Sakamoto, vice president at National Westminster Bank.

In late trading, the dollar rose to 1.5770 Deutsche marks from 1.5676 DM and to 100.55 yen from 99.95 yen.

Against other currencies, the dollar rose to 1.3368 Swiss francs from 1.3255, and to 5.4140 French francs from 5.3840. The pound fell to \$1.5636 from \$1.5660.

The Fed last raised rates on Nov. 15, by 0.75 percentage point. Its discount rate on direct loans to banks, which sets the floor for other rates, is 4.75 percent. In Germany, the comparable rate is 4.50 percent, while in Japan, it is 1.75 percent. The difference means that traders give up interest payments when they sell dollars for marks and yen.

Higher commodity prices, including a sharp increase in copper futures, lifted the Australian dollar as high as 71.40 U.S. cents, a three-year high against the currency. (Bloomberg, Knight-Ridder)

STOCKS: Wall Street Crumbles

Continued from Page 15

in a television interview that it "does not appear that the magnitude of the leverage in Orange County is mirrored anywhere else." (AP, Knight-Ridder)

Nervousness Hits Stocks

Stocks fell as Orange County's problems and concern

U.S. Stocks

about other municipalities left investors skittish about U.S. assets, news agencies reported.

Stocks were also pressured by a slump in airline issues, which offset a rally in AT&T, and by fears of higher interest rates.

"People are generally suspicious of and nervous about the Orange County situation," said Jack Baker, managing director of trading at Funnell Seligman.

Shares of major securities firms fell on the Orange County news, with Merrill Lynch closing down 14, at 33 1/2, Dean Witter Discover down 3, at 32 1/2, and Salomon Brothers down 14, at 35 1/2.

The Dow Jones Industrial Average closed 49.79 points lower, at 3,685.73.

Declining issues led advances on the New York Stock Exchange by a nearly 10-to-1 ratio, with volume at 366 million shares.

A broad slump in high-technology stocks, particularly semiconductor manufacturers, also undermined market sentiment. Analysts expect another slump in the Semiconductor Industry Association's monthly book-to-bill ratio from November data.

The benchmark 30-year Treasury bond rose 10/32, to 95 27/32, to yield 7.86 percent, down from 7.89 percent.

AT&T rose 1 1/2, to 48 1/2, amid optimism about the company's earnings prospects and a new alliance expected with Unisource to provide telephone and data services throughout Europe.

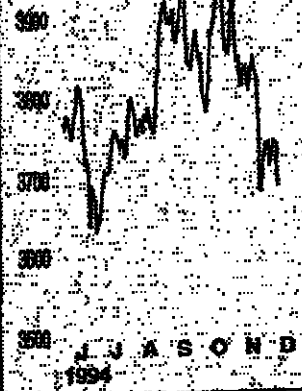
Airline stocks slid on bearish earnings prospects as growing competition in the industry led companies to reduce fares to attract customers.

Health-maintenance organizations issues declined for the second consecutive session after a trade group said premiums would fall in 1995.

(Bloomberg, Knight-Ridder)

The Dow

Daily changes of the Dow Jones industrial average



Source: Dow Jones

NYSE Most Active

Vol.	High	Low	Last	Chg.
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14

NASDAQ Most Active

Vol.	High	Low	Last	Chg.
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14

AMEX Most Active

Vol.	High	Low	Last	Chg.
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14

NASDAQ Diary

Vol.	High	Low	Last	Chg.
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14
Vol.	11,111	25.14	25.14	-0.14

Spot Commodities

derivatives market, the complexity of its financial arrangements and the fact that corporate reports reveal little about companies' exposure to risk from derivatives.

This week's bankruptcy filing by Orange County in California is but the latest example of how

Thursday's 4 p.m.
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month	52 Week	Div	Yld	PA	FC	100s	High	Low	Last	Chg
151	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
152	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
153	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
154	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
155	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
156	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
157	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
158	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
159	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
160	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
161	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
162	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
163	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
164	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
165	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
166	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
167	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
168	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
169	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
170	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
171	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
172	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
173	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
174	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
175	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
176	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
177	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
178	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
179	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
180	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
181	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
182	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
183	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
184	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
185	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
186	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
187	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
188	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
189	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
190	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
191	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
192	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
193	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
194	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
195	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
196	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
197	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
198	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
199	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
200	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
201	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
202	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
203	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
204	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
205	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
206	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
207	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
208	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
209	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
210	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
211	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
212	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
213	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
214	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
215	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
216	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
217	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
218	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
219	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
220	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
221	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
222	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
223	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
224	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
225	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
226	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
227	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
228	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
229	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
230	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
231	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
232	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
233	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
234	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
235	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
236	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
237	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
238	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
239	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
240	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
241	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
242	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
243	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
244	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
245	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
246	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
247	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
248	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
249	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
250	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
251	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
252	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
253	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
254	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
255	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
256	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
257	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
258	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
259	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
260	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
261	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
262	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
263	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
264	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
265	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
266	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
267	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
268	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
269	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
270	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
271	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
272	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
273	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
274	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
275	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
276	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
277	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
278	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
279	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
280	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
281	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
282	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
283	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
284	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
285	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
286	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
287	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
288	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
289	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
290	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
291	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
292	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
293	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
294	15	AA	AAH				240	12 3/4	12 3/4	11 1/2
295	15	AA	AAH				240	12 3/4	1	

[illegible][illegible][illegible][illegible][illegible]

Thursday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect trades elsewhere. *Via The Associated Press*

[illegible][illegible][illegible][illegible][illegible][illegible][illegible]

British Sky
Proves a Hi

Lufthansa

AMERICA:

11/2/51

Free Enterprise Center

Mitsubishi Seeks To Force Down Japan Steel Prices

Compiled by Our Staff From Dispatches

TOKYO — Mitsubishi Motors Corp., in an apparent effort to pressure Japanese steelmakers to cut prices, signed a contract Thursday to buy steel from the steelmakers' biggest South Korean rival.

Mitsubishi agreed to buy cold-rolled steel sheet on a contract basis from Pohang Iron & Steel Co. A spokesman for Mitsubishi refused to discuss the terms of the contract.

Nissan Motor Co. and Honda Motor Co., meanwhile, are importing POSCO's steel on a test basis before deciding whether to buy in volume.

Mitsubishi and Nissan said this would mark the first time they had imported steel for their Japanese factories.

A Nissan spokesman said the use of South Korean steel on a trial basis "will not lead to long-term purchases quickly, because several things should be cleared up, such as supply capacity and other conditions."

The three automakers said they were turning to the Korean company because its prices were lower than those of Japanese producers. POSCO is the second-largest steelmaker in the world, after Nippon Steel Corp. of Japan.

"Even a small consumption of foreign steel will result in reduction of prices. Japanese steelmakers charge the automakers," said Basil Masters, an analyst at Kleinwort Benson International Inc.

POSCO can provide Japanese companies with cold-rolled steel, used mainly for structural parts of vehicles, for 6 percent to 7 percent less than Japanese steel companies, a spokesman for the South Korean company said.

Mr. Masters said Japan's large steelmakers faced pressure to cut prices from other major clients — shipbuilders and electric-appliance makers — which are increasing imports of steel.

In a bid to prevent overseas manufacturers from grabbing more business, Nippon Steel will cut its price for cold-rolled sheet by 10 percent for automakers that agree to take on long-term contracts, the Nihon Keizai newspaper reported.

Nippon Steel denied the report, but a spokesman conceded that domestic clients had been pressing for lower prices in recent months.

(Bloomberg, Reuters)

China Stocks Hit Trouble

New Issuers Find Interest Is Drying Up

Bloomberg Business News

HONG KONG — A sudden wave of new Chinese stock issues has sent share prices tumbling and is jeopardizing future equity offerings.

The Hang Seng China Enterprise Index, which tracks 13 Chinese state companies that trade shares in Hong Kong, has fallen 21 percent in the past three weeks.

While Beijing is tightening credit to fight inflation, Chinese companies hungry for cash are trying to raise more equity financing.

And with reams of Chinese paper on the way, fund managers say deep discounts on prices will not guarantee a welcome reception.

"The reality is that there isn't that much money available," said Douglas Eu, who manages Asian funds for Jardine Fleming Investment Management Ltd.

"One of the reasons that the markets have crashed is the flood of new issues," added Tim Groaton, who manages the China Growth Fund for Credit Lyonnais International Asset Management.

The primary market, in which investment bankers sell newly issued shares to investors, is already feeling the heat. Shares in the state-owned oil refinery Zhenhai Refining & Chemical Co. fell 13 percent from their issue price of 2.38 Hong Kong dollars (31 U.S. cents) when they started trading Friday.

The stock closed Thursday at 1.97, down 17 percent from the issue price.

Two months ago, new Chinese equities were being priced at a huge discount to the secondary market, where already-issued shares are traded, to attract interest.

Now, these new offerings look pricey. That is because price/earnings ratios for the overall markets in Hong Kong and New York have fallen on fears of higher interest rates.

Two companies are to start trading shares

next week, Chengdu Telecommunications Cable Co., a copper and optical-fiber cable producer, and Harbin Power Equipment Co., a power-equipment manufacturer.

Chengdu Cable shares start trading Tuesday, and they were offered at 2.80 dollars. Fund managers say that although China's telecommunications sector is an attractive investment option, the price is stretching that optimism to the limit.

Investors have also balked at the 2.58-dollar asking price for Harbin Power shares, which start trading next Friday, arguing that current market conditions do not warrant a 1995 P/E ratio of 12.15 when the market average is 10.

The lagging over price leaves Chinese companies who want to sell stock to foreign investors in a difficult position. Sixteen have already received the green light from China's securities authorities to list shares in Hong Kong or New York, and seven more are set to follow.

Chinese companies will have to adjust their offering prices to reflect changing market conditions.

Hong Kong Stocks Drop on Rate Fears

Hong Kong stocks sank to their lowest point this year after Alan Greenspan, chairman of the U.S. Federal Reserve Board, signaled Wednesday that American interest rates were likely to head higher.

The Hang Seng index dropped 200.19 points, to 8,068.31. In an indication that further falls are likely, the Hang Seng index December futures contract fell 285 points to finish at 7,980.

Major markets all over Asia fell, except for Tokyo, where stocks were mixed. The Nikkei Stock Average edged up, but Tokyo's Topix Index slipped.

Cracks Seen In Strike in South Korea

Compiled by Our Staff From Dispatches

SEOUL — Workers at Kia Motors Co., Daewoo Motor Co. and Asia Motors Co. began a strike Thursday to protest the government's decision to allow a Samsung Co. unit to make automobiles, but workers at the country's biggest automaker decided not to strike.

Union officials said employees of the three automakers had reported for the morning shift but had not started work.

"We will strike until the government withdraws its decision," a Kia union official said.

An Asia Motor spokesman said its employees were on strike, but officials at Kia and Daewoo disputed the union reports about their factories.

Workers at Hyundai Motor Co., South Korea's largest automaker, reversed their decision to join the strike.

"The government's firm stance cannot be reversed by a strike or any other form of resistance," a Hyundai union leader said. Ssangyong Motors Co. workers also suspended participation in the strike.

Seoul gave Samsung Heavy Industries Co. permission Wednesday to produce passenger cars starting in 1998 with technical support from Nissan Motor Co. of Japan.

The decision infuriated management as well as unions at South Korea's existing automakers. The companies and unions say adding another automaker to the industry would depress profits and threaten jobs, though the government and some outside analysts disagree. (Reuters, AFP, Bloomberg)

Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
11000	2400	21000
10000	2200	20000
9000	2000	19000
8000	1800	18000
7000	1600	17000
6000	1400	16000
5000	1200	15000
4000	1000	14000
3000	800	13000
2000	600	12000
1000	400	11000
0	200	10000

Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	8,068.31	8,268.50	-2.42
Singapore	Straits Times	2,138.55	2,180.38	-1.92
Sydney	All Ordinaries	1,875.00	1,869.20	+0.31
Tokyo	Nikkei 225	19,180.84	19,174.23	+0.03
Kuala Lumpur	Composite	925.34	951.68	-2.77
Bangkok	SET	1,310.26	1,330.35	-1.51
Seoul	Composite Stock	1,053.70	1,068.93	-1.42
Taipei	Weighted Price	6,775.38	6,777.68	-0.03
Manila	PSE	2,656.35	2,683.17	-0.98
Jakarta	Stock Index	461.20	462.30	-0.24
New Zealand	NZSE-40	1,914.22	1,931.29	-0.88
Bombay	National Index	1,877.49	1,886.63	-0.48

Very briefly:

- Malaysia has identified 77 projects for privatization next year, including the National Savings Bank, the national film company, the Housing Loan Division of the Finance Ministry and two ports in eastern Pahang state, officials said.
- Microsoft Corp. signed an agreement with China's electronics ministry to develop and produce a Chinese-language version of its new Windows 95 computer program.
- Purnendu Chatterjee, representing Soros Fund Management, signed an agreement to take a stake of 2.25 billion rupees (\$72 million) in companies of the UB Group of India.
- India's Telecom Commission will not require private telephone companies to provide service to less profitable rural areas in exchange for being allowed to serve more profitable urban neighborhoods, according to the Economic Times.
- Honda Motor Co. plans to build a motorcycle plant in Vietnam next year, company executives said. The plant is expected to produce more than 100,000 units a year.
- Reliance Industries Ltd., India's biggest private company, said shareholders approved the merger of Reliance Polypropylene Ltd. and Reliance Polyethylene Ltd. into the parent company. (Bloomberg, AFP, AFX)

Seoul to Let Executives Travel to North

AFP-Exel News

SEOUL — The government is likely to lift a ban next week on corporate executives making business trips to North Korea, a senior government official said Thursday, according to the Yonhap News Agency.

Hyundai Corp., Samsung Co. and Daewoo Corp. are expected to be included on the approval list, government officials said.

The companies refused to comment on any plans after the announcement. Lucky Goldstar International Corp. said it

would soon send 10 of its top executives. The executives will study investment opportunities, according to a company spokesman.

The survey team is expected to negotiate with North Korea the takeover of an auto factory and a steel mill and discuss issues including the expansion of bilateral trade, the spokesman said.

The local press has published detailed plans for Samsung, Hyundai and Daewoo, quoting company executives. Their spokesmen confirmed the companies had "plans" to do business in North Korea but declined to disclose details.

ITC
INTERNATIONAL TELEPHONE COMPANY
WORLDWIDE CALL BACK SYSTEM
Now offers Direct Dial to anywhere in the world at Call Back Prices.
Fax & Data can also be used with ITC's Direct Dialer.
Distributors Needed Worldwide
For Call Back / Call Centers
and Prepaid Calling Cards
International and Domestic.
International Telephone Company
290 Pratt Street, Meriden, CT 06450-2118
1800-638-5558 ext. 111/ 203-238-9794
Fax: 203-929-4906

OECD Issues Trade-Pact Warning

Compiled by Our Staff From Dispatches

PARIS — The Organization for Economic Cooperation and Development warned Thursday that so-called managed trade agreements between the United States and Japan could harm the efficiency of their economies and be detrimental to consumers.

The OECD's report on Japan said such effects would be even more likely if Washington and Tokyo were to set numerical targets in their trade talks for measuring access to each other's markets.

The report also said a healthy expansion of private consumption should reinforce Japan's

budding economic recovery and push annual growth to well over 2 percent in 1995.

It noted, though, that the yen's strength was the main threat to the pace of recovery.

The OECD said monetary policy should still play a key role in sustaining noninflationary recovery but that strengthening growth had made further easing of credit less necessary.

The report said that Tokyo had reduced obstacles to imports and direct foreign investment in Japan but that the level of such investment remained low compared with that of other OECD nations.

(AFX, Reuters)

Profits to Rise in Japan

Two investment companies predicted rising profits for Japanese companies, AFP-Exel reported Thursday from Tokyo.

Nikko Securities Co.'s Nikko Research Center, said parent-level pretax profits of listed companies should rise 25.5 percent in the year that ends in March 1996, compared with the 10.3 percent rise it has forecast for the year ending next March.

Daiwa Research Institute, a unit of Daiwa Securities Co., said those profits would rise only 18.5 percent in the year to March 1996. It has forecast a 10.6 percent increase for the year ending March.

Can you discuss current issues in quality company?

What will Berlusconi's 'The Knight of Italy' next move be?

Is Moscow a city without any hope for tomorrow?

Has Boutros-Ghali's UN planetary order lost direction?



Is the European Union important for industry and commerce?

Should the European Community expand to include Eastern Europe?

Are you in favour of the European monetary union?

Given TIME, you can.

If you need to have an up-to-date, informed grasp of the issues and events of the moment then you need TIME.

Simply complete and return this coupon and you will receive the next four editions absolutely free. Sample the current issues for yourself.

The Next 4 Issues
FREE

Return this coupon to: TAAQPY3
Greg Harris, TIME International,
Time Warner Publishing BV,
Orto Holdingsstraat 5,
1066 AZ Amsterdam, The Netherlands

Title _____ First Name _____ Surname _____
Address _____
Town/City _____ Postcode _____
Country _____

TIME

NYSE

Thursday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press
(Continued)

12 Month High Low Stock	Div	Yld	PE	100s	High	Low	Latest	Open
100	1.00	4.00	10.00	100	100.00	99.00	99.50	100.00
200	2.00	8.00	20.00	200	200.00	199.00	199.50	200.00
300	3.00	12.00	30.00	300	300.00	299.00	299.50	300.00
400	4.00	16.00	40.00	400	400.00	399.00	399.50	400.00
500	5.00	20.00	50.00	500	500.00	499.00	499.50	500.00
600	6.00	24.00	60.00	600	600.00	599.00	599.50	600.00
700	7.00	28.00	70.00	700	700.00	699.00	699.50	700.00
800	8.00	32.00	80.00	800	800.00	799.00	799.50	800.00
900	9.00	36.00	90.00	900	900.00	899.00	899.50	900.00
1000	10.00	40.00	100.00	1000	1000.00	999.00	999.50	1000.00

NYSE

Thursday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press
(Continued)

12 Month High Low Stock	Div	Yld	PE	100s	High	Low	Latest	Open
1100	11.00	44.00	110.00	1100	1100.00	1099.00	1099.50	1100.00
1200	12.00	48.00	120.00	1200	1200.00	1199.00	1199.50	1200.00
1300	13.00	52.00	130.00	1300	1300.00	1299.00	1299.50	1300.00
1400	14.00	56.00	140.00	1400	1400.00	1399.00	1399.50	1400.00
1500	15.00	60.00	150.00	1500	1500.00	1499.00	1499.50	1500.00
1600	16.00	64.00	160.00	1600	1600.00	1599.00	1599.50	1600.00
1700	17.00	68.00	170.00	1700	1700.00	1699.00	1699.50	1700.00
1800	18.00	72.00	180.00	1800	1800.00	1799.00	1799.50	1800.00
1900	19.00	76.00	190.00	1900	1900.00	1899.00	1899.50	1900.00
2000	20.00	80.00	200.00	2000	2000.00	1999.00	1999.50	2000.00

NYSE

Thursday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press
(Continued)

12 Month High Low Stock	Div	Yld	PE	100s	High	Low	Latest	Open
2100	21.00	84.00	210.00	2100	2100.00	2099.00	2099.50	2100.00
2200	22.00	88.00	220.00	2200	2200.00	2199.00	2199.50	2200.00
2300	23.00	92.00	230.00	2300	2300.00	2299.00	2299.50	2300.00
2400	24.00	96.00	240.00	2400	2400.00	2399.00	2399.50	2400.00
2500	25.00	100.00	250.00	2500	2500.00	2499.00	2499.50	2500.00
2600	26.00	104.00	260.00	2600	2600.00	2599.00	2599.50	2600.00
2700	27.00	108.00	270.00	2700	2700.00	2699.00	2699.50	2700.00
2800	28.00	112.00	280.00	2800	2800.00	2799.00	2799.50	2800.00
2900	29.00	116.00	290.00	2900	2900.00	2899.00	2899.50	2900.00
3000	30.00	120.00	300.00	3000	3000.00	2999.00	2999.50	3000.00

NYSE

Thursday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press
(Continued)

12 Month High Low Stock	Div	Yld	PE	100s	High	Low	Latest	Open
3100	31.00	124.00	310.00	3100	3100.00	3099.00	3099.50	3100.00
3200	32.00	128.00	320.00	3200	3200.00	3199.00	3199.50	3200.00
3300	33.00	132.00	330.00	3300	3300.00	3299.00	3299.50	3300.00
3400	34.00	136.00	340.00	3400	3400.00	3399.00	3399.50	3400.00
3500	35.00	140.00	350.00	3500	3500.00	3499.00	3499.50	3500.00
3600	36.00	144.00	360.00	3600	3600.00	3599.00	3599.50	3600.00
3700	37.00	148.00	370.00	3700	3700.00	3699.00	3699.50	3700.00
3800	38.00	152.00	380.00	3800	3800.00	3799.00	3799.50	3800.00
3900	39.00	156.00	390.00	3900	3900.00	3899.00	3899.50	3900.00
4000	40.00	160.00	400.00	4000	4000.00	3999.00	3999.50	4000.00

صباحنا من الامل

SPORTS



As the truth sank in — the Los Angeles Clippers had beaten Milwaukee, 96-94, in overtime — Lamond Murray, center, celebrated while teammates, clockwise, Matt Fish, Randy Woods, Pooh Richardson and Bob Martin, seemed doubtful.

A First for the Clippers: They Won

Compiled by Our Staff From Dispatches
LOS ANGELES — Staring immortality in the face, the Los Angeles Clippers blinked and did the improbable.

They won. But the hard way. In overtime Wednesday night, they defeated the Milwaukee Bucks, 96-94, on Pooh Richardson's 18-foot shot at the buzzer, improving their record to 1-16.

"It was the sweetest shot I ever saw," forward Loy Vaught said. "It's a very good feeling. That futility record we almost set is something we didn't want to have our names attached to."

With "I Love L.A." playing over the loudspeakers, fans and players flooded the court and mobbed Richardson, who had nine points and 13 assists.

Before the game, the Clippers' coach, Bill Fitch, said: "I told 'em, 'Bring your cameras. When you get it done, when you get that monkey off your back, it'll be the ugliest and the biggest and there won't be enough bananas to feed it, so get out of it way.'"

If Fitch's players forgot their cameras, it doesn't matter. Everyone else brought theirs. As Clipper players mobbed Richardson, and the crowd of about 4,500, pumped up to 6,439 for the official announcement, screamed like 45,000, five minicam crews danced around the fringes.

The first four weeks of the season were a nightmare for the Clippers coaches and players. The team was just one loss away from tying Miami's league record in 1988 for most defeats to start a season.

Let's just say the Clippers needed this victory badly.

So did the Bucks, losers of eight in a row. One could say the Clippers beat a road-weary team, totalling into its fourth game in five nights, but the Bucks are also one of the NBA's promising young franchises. "Anybody coming in here is going to think the same thing," said Bucks' Coach Mike Dunleavy before the game. "You don't

want to be the first to be beaten by the Clippers, but we can't think about that. We need a win desperately."

So Wednesday was desperate for both teams.

The Clippers led by 13 midway through the third quarter. Then Bucks went on a 10-0 run at the end of the quarter. The Clippers opened it up to 81-72 midway through the fourth quarter.

The Bucks closed to 88-85 in the closing seconds, then tied the score when Glenn

against the Cavaliers the previous night in Cleveland.

The Cavaliers stayed close for three quarters, but the Magic broke the game open with a 10-0 run that gave them an 80-65 lead midway through the fourth quarter. Anfernee Hardaway, who had 14 points, made a 3-pointer during the surge.

Chris Mills led Cleveland with 14 points. John Williams and Tony Campbell each had 12, while Mark Price was held to six and committed six turnovers.

76ers 111, Heat 102: By beating Miami, visiting Philadelphia became the third NBA team to win 2,000 games.

The 76ers joined the Boston Celtics and the Los Angeles Lakers as the only three NBA teams to reach that plateau. Since their inception in 1949 as the Syracuse Nationals, the 76ers' record stands at 2,000-1,564.

Jeff Malone scored 13 of his season-high 34 points in the key third period. Dana Barros and former Miami player Willie Burton each scored 19 for the 76ers, while Glen Rice led Miami with 25.

Barros and Clarence Weatherspoon each scored 10 during the third quarter, which saw the visiting 76ers extend a 6-point halftime lead to 22.

Celtics 93, Hawks 89: Boston overcame a 10-point halftime deficit and the loss of Dino Radja to beat Atlanta.

Radja, Boston's leading scorer and rebounder, broke his right hand Tuesday night against the Knicks in New York. Rookie center Eric Montross took up the slack with 16 points and a season-high 16 rebounds.

The visiting Hawks were held to 28 points in the second half and were outscored 23-11 in the fourth quarter.

Dee Brown scored 24 points and Xavier McDaniel 23 for the Celtics, who snapped a three-game losing streak.

Mookie Blaylock led the Hawks with 26 points. Stacey Augmon scored 16. (AP)

NBA ROUNDUP

Robinson rebounded his own missed 10-footer, took the ball out to the three-point line and canned one from there.

The Clippers led, 94-92, in the last 30 seconds of overtime. The Bucks called time out to set up a play, but Clipper reserve forward Charles Outlaw blocked a layup by Robinson with 26 seconds remaining.

After another timeout, Robinson faked a shot and lost the ball. Conlon came up with it and made a layup with 22.5 seconds left to tie it at 94-94. Conlon, who was fouled by Lamond Murray, missed the free throw.

The Clippers called a timeout to set up a play. Richardson passed it to Eric Fickel, who was stripped of the ball by Eric Murdock. However, Murray, the rookie forward who had 19 points in his first NBA start, came up with the ball in a wild scramble and fed Richardson the ball.

Somewhere in here, the gods must have decided they were tired of torturing the Clippers. Richardson turned a busted play at the Clipper end into the dramatic game-winner.

Magic 90, Cavaliers 75: In Orlando, Florida, the Magic beat Cleveland for the second time in as many nights, but produced a lot less offense doing it. Shaquille O'Neal's 33 points and 10 rebounds led the Magic, who scored 114

Another Top 10 Team Falls to Kansas

The Associated Press

The adage goes that victories early in the season aren't remembered all that much when basketball season is over. Don't bet on that for Kansas.

The fourth-ranked Jayhawks (4-0) beat Nos. 1 and 6 in a five-

COLLEGE HIGHLIGHTS

day span and have established themselves as one of the better teams in the country.

"This is cool," the 7-foot-2 center Greg Ostertag said Wednesday night after tying a school record with eight blocked shots in a 69-63 victory over No. 6 Florida.

"It shows we are a good team and we're going to be a team to reckon with come tournament time in March," Ostertag said.

Last Saturday, Kansas knocked off then-No. 1 Massachusetts, 81-75, in the Wooden Classic. The Jayhawks are living up to their selection as the preseason choice as the favorite in the Big Eight.

"Kansas did a great job playing all 40 minutes and they did a great job with their size," Florida's Coach Lon Kruger said. "It was a good experience for us to play this type of team. We'll learn from it."

Kansas led 29-25 at halftime and started the second half with

a 13-0 run, and the Gators (3-1) were never closer than five the rest of the way.

Jerrold Haase led Kansas with 23 points, while Jacques Vaughn had 11 points and seven assists.

As solid as Ostertag was defensively, he struggled on the other end, finishing with two points on 1-for-7 shooting.

The Jayhawks' Dan Cross had all but four of his 25 points in the second half, while Andrew DeClercq had 20 points and 14 rebounds.

"Early in the game, they dictated what we did," Cross said. "They played really good defense. At the last part, it was sort of a rush-type game."

New Proposal for Baseball

New York Times Service

ATLANTA — The baseball players' executive board has approved the outline of a counterproposal to be presented to the owners at their meeting in Rye Brook, New York, this weekend in an effort to end the nearly four-month old strike.

Donald Fehr, the union leader, said staff members had to fill in the outline with specific details in the next two days. He declined to discuss any aspect of the proposal, but it is believed to include a variation of the revenue-sharing plan the owners adopted last January, with revenue generated in a different way from the owners' plan, and elements of a tax on club payrolls. What the proposal will not include, Fehr said, is "a salary cap of any kind."

assessed a technical with 4:02 to play when he swatted the ball out of a Kentucky player's hands when he was still out of bounds. Kentucky scored the next four points and Indiana was able to tie it just once more.

Walter McCarty nailed a big 3-pointer for the Wildcats for a 73-69 lead with 1:37 left. Indiana missed three chances to tie in the final 30 seconds.

McCarty led Kentucky with 16 points, while Evans and Reed each had 16 for Indiana.

No. 18 Georgetown 76, Providence 74: Freshman guard Allen Iverson scored 30 points to lead the Hoyas, who didn't wrap up the home victory until Jerome Williams followed Iverson's miss with 41 seconds left for their first lead of the night. Georgetown has won three straight, while Providence lost for the first time this season. Eric Williams had 27 points to lead the Friars.

No. 21 Ohio 87, Ohio Dominican 57: In Athens, Ohio, The Bobcats played without starters Gary Trent and Geno Ford, both out with hip muscle strains, and still cruised over their NAIA Division II opponent. Ed Sears had 22 points to lead Ohio, which scored the game's first 22 points. Jerry Lanier had 17 points to lead Dominican.

More Fun in NFL With New Rules

By Timothy W. Smith

New York Times Service

NEW YORK — Joe Marciano's heart leaps to his throat every time he sees a team line up for a kickoff or punt return.

The fear in Marciano, the New Orleans Saints' special-teams coach, is created by the new rules that have injected more offense and scoring into the National Football League.

"Special-teams coaches are going nuts every time we line up for kickoffs," Marciano said.

"It's definitely adding to my excitement. The fans are getting what they wanted. If this is what the NFL had in mind, it's definitely working."

After years of being derisively identified as the "No Fun League" for outlawing end-zone celebrations following touchdowns and seeing low-scoring games often decided by field goals and teams' inability to score inside the Red Zone, inside the 20-yard line, the NFL has seen its new rules changes unleash a wave of offense.

Individual offensive players' numbers tell the tale.

Tyone Hughes, the Saints' thrilling return specialist, has established the single-season record (1,389 yards) on kickoff returns and also set a record for combined return yards on punts and kickoffs in a single game (347) against the Rams. During that game, Hughes tied an NFL record with a pair of returns for touchdowns.

The Patriots' quarterback Drew Bledsoe set a record for number of passes (70) and completions (45) against the Vikings on Nov. 13, rallying New England from a 20-0 deficit.

Minnesota receiver Cris Carter, who has 102 receptions, and Terance Mathis of the Falcons, with 97, could become the first pair of receivers to break the single-season mark for receptions (112) set by Green Bay's Sterling Sharpe last season.

Troubled by an increased number of field goals, touchbacks on kickoffs and low-scoring games last year, the NFL competition committee approved a series of changes for this season.

They lowered the kickoff tee to one inch, moved the kickoff spot back 5 yards to the 30-yard line, gave the receiving team the ball at their 40 if a kickoff went out of bounds and gave the offense the ball at the spot of a field-goal attempt on misses.

On offense, linemen were allowed to line up wider and a

step behind the line of scrimmage to better protect the quarterback, and defensive backs were prohibited from pushing receivers once they had gone 5 yards past the line of scrimmage.

The increased numbers in both kickoff returns and offensive production over last season indicate that the rules have had an impact. Through 14 weeks this season there have been 126 touchbacks, compared with 449 through a similar period last year. Over all in 1993, there were 536 touchbacks.

"The day of the touchback is over," Marciano said. "The days of sideline kicking on kickoffs is over, because everybody fears the ball going out of bounds. If you take all the rules on kickoffs and combine them, they've had a big impact."

Teams also are unwilling to attempt routine 50-yard field goals, Marciano added, because if they miss the kick, the opposing team will get the ball at about the 43-yard line.

"You'd rather just go for it on fourth down if it's fourth-and-1 or fourth-and-2, or just pooch-kick it and pin the other team back," he said.

Tony Dungy, the Vikings' defensive coordinator who watched Bledsoe set his records against his unit, isn't sure the rules changes are the sole reason for the increased production.

"It's given people the mentality that it's easier to throw the ball than it was before," Dungy said. "We've played teams that run the ball a few times and then abandon it. We've been in situations where teams have gone to a hurry-up offense in the second quarter."

"You see so many teams throwing the ball more this year and giving up on the run that I think you'll see more 1,000-yard receivers in the league this year than ever before."

The numbers support Dungy's observation. In 1993, after 14 weeks of the season, there were 30 games with 300 or more passing yards. This year there have been 55 games. Also, more receivers this season are having more spectacular games.

Carl Pickens of the Bengals had his fourth consecutive 100-yard game last week. The last player to do that was Andre Rison in 1990.

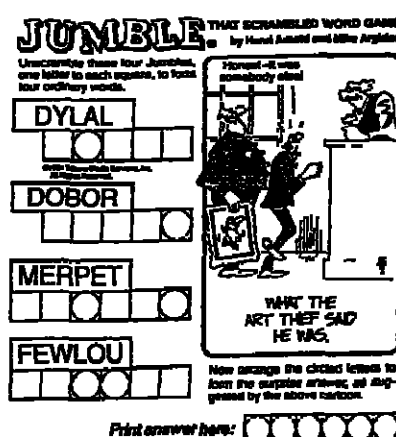
Gary Stevens, the Dolphins' offensive coordinator said the no chucking downfield rule has helped, too. "Our receivers can run their routes without worrying about some big line-backer knocking them on their butts when they go across the middle."

"It's made it tougher on defenses," he said. "They're going to have to change the way they coach the defensive backs now."

DENNIS THE MENACE



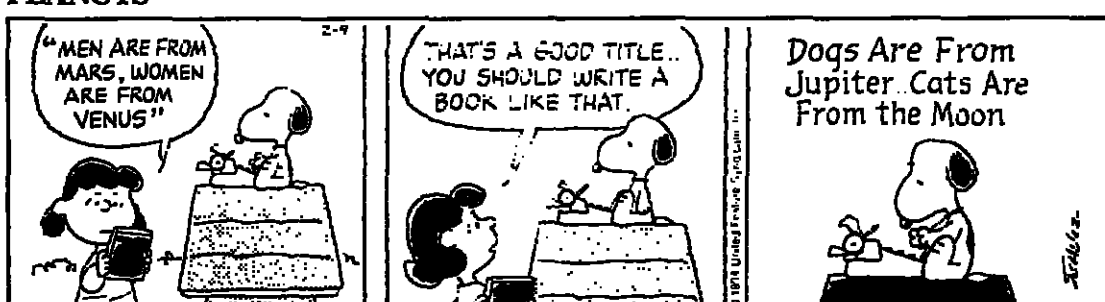
"SOCCER'S JUST LIKE HOCKEY ONLY WITHOUT THE ICE, THE SKATES, THE STICK, THE PUCK, AND THE COOL MASKS AND HELMETS."



Education Directory

Every Tuesday
Contact Kimberly Guernard-Betrancourt
Tel.: (33 1) 46 37 94 76
Fax: (33 1) 46 37 93 70
or your nearest IHT office
or representative

PEANUTS



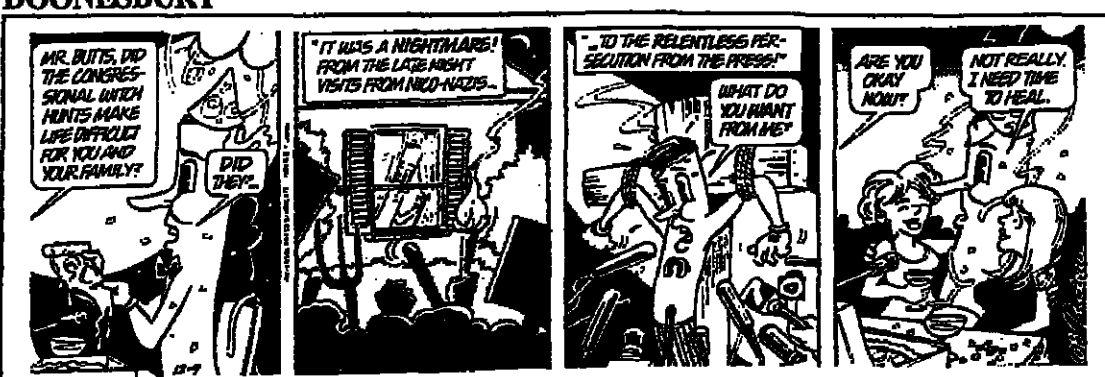
GARFIELD



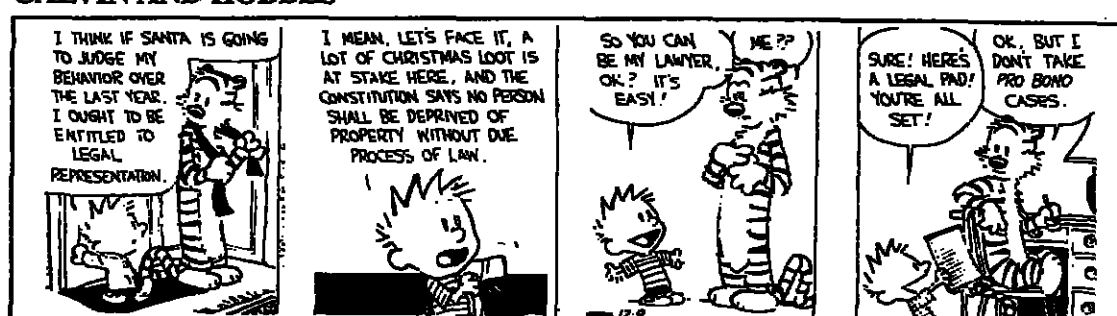
BEETLE BAILEY



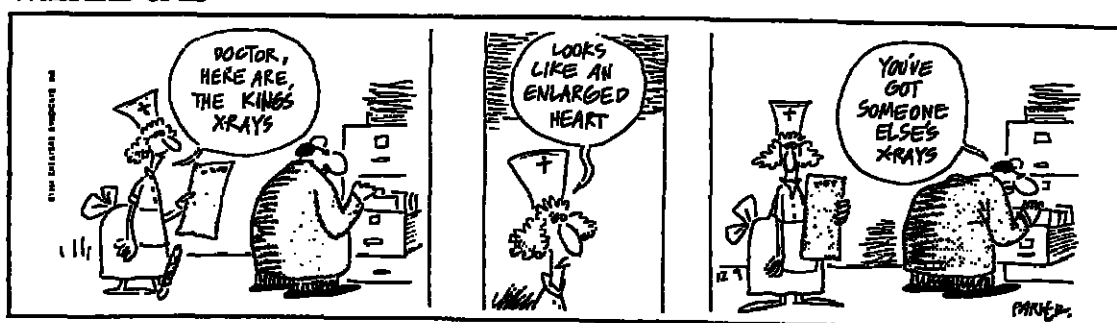
DOONESBURY



CALVIN AND HOBBS



WIZARD OF ID



THE FAR SIDE



Artist: G. Larson
Medium: Ink on paper
Title: It Was Late and I Was Tired

BLONDIE



صباحنا من الامم

SPORTS

SIDELINES

Strawberry Indicted on Tax Evasion

NEW YORK (AP) — Darryl Strawberry and his agent were indicted Thursday on federal tax evasion charges alleging that the San Francisco Giants outfielder failed to report more than \$500,000 in income. The indictment, handed up by a federal grand jury in White Plains in Westchester County, said Strawberry and the agent, Eric Goldschmidt, conspired to defraud the Internal Revenue Service of taxes owed from 1986 through 1990.

A statement from the U.S. attorney's office in Manhattan said the former Mets star claimed only \$442,000 in income from autograph signing shows and personal appearances during the period but actually earned about \$945,000. Strawberry, 32, of Rancho Mirage, California, should have paid \$146,000 on the unreported income, the release said.

IOC Chief Wins Libel Judgment

LAUSANNE (AP) — Two British journalists were convicted Thursday of libeling Juan Antonio Samaranch, president of the International Olympic Committee, and were given a five-day jail sentence. The sentence on Vyn Simson and Andrew Jennings, who did not attend the proceedings, was suspended for three years.

Simson and Jennings wrote the "Lords of the Rings," a book that attacked Samaranch and his leadership of the IOC. The book, published in Britain in 1992 and since translated and distributed in other countries, alleges that the Olympic ideals have been corrupted by commercialization and greed under Samaranch's leadership. It alleges that Samaranch had been an active supporter of the late Spanish dictator Franco, and that he runs the IOC in a similar autocratic fashion.

Samaranch and IOC director general François Carrard testified Wednesday that the authors had attacked them out of a desire to destroy the structure of the IOC and to make money.

Canadiens' Star Tremblay Dies at 55

MONTREAL (AP) — Jean-Claude Tremblay, a star defenseman who played on five Stanley Cup championship teams for the Montreal Canadiens from 1960-71, has died after a long battle with kidney cancer. He was 55.

Tremblay, one of the best defensemen of his era, had 57 goals and 306 assists in 794 games for the Canadiens between 1959 and 1972. He was named to the NHL's first All-Star team in 1970-71 and played in seven All-Star games.

America's Cup Yacht Is Damaged

SAN DIEGO, California (Reuters) — One of the two French yachts entered in next year's America's Cup challenger trials fell from a crane on Wednesday, driving the keel through the deck and causing other damage that will take at least a week to repair.

The 75-foot (22.8 meters), 52,000-pound (23,587 kilogram) International America's Cup Class yacht fell 20 feet as it was being launched from the team's compound on Mission Bay. Syndicate officials of the French boat from the Yacht Club de Sete said the lifting boom inside the hull collapsed, causing the yacht to drop on its keel. The boat's designer, Philippe Briand, is on his way from France to inspect the damage.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division

Team	W	L	Pct	GB
Orlando	13	3	.813	—
New York	10	5	.688	2 1/2
Boston	9	7	.563	3 1/2
Philadelphia	7	9	.438	5 1/2
Washington	7	8	.469	5 1/2
New Jersey	7	12	.368	7 1/2
Atlanta	4	19	.211	10 1/2

Central Division

Team	W	L	Pct	GB
Indiana	10	5	.667	—
Charlotte	9	7	.563	1 1/2
Chicago	8	8	.500	2 1/2
Cleveland	8	8	.500	2 1/2
Detroit	8	8	.500	2 1/2
Atlanta	7	10	.412	4
Milwaukee	6	12	.333	5 1/2

WESTERN CONFERENCE

Midwest Division

Team	W	L	Pct	GB
Houston	11	5	.688	—
Denver	10	5	.667	1 1/2
Utah	10	7	.588	1 1/2
Dallas	8	6	.571	2
San Antonio	7	8	.469	3 1/2
Minnesota	3	14	.176	8 1/2

Pacific Division

Team	W	L	Pct	GB
Phoenix	11	5	.688	—
Seattle	10	6	.625	1 1/2
L.A. Lakers	9	6	.600	2 1/2
Sacramento	8	8	.500	3 1/2
Golden State	8	8	.500	3 1/2
Portland	7	7	.500	4 1/2
L.A. Clippers	1	16	.063	10 1/2

WEDNESDAY'S GAMES

Team	W	L	Pct	GB
Orlando	13	3	.813	—
New York	10	5	.688	2 1/2
Boston	9	7	.563	3 1/2
Philadelphia	7	9	.438	5 1/2
Washington	7	8	.469	5 1/2
New Jersey	7	12	.368	7 1/2
Atlanta	4	19	.211	10 1/2

WEDNESDAY'S GAMES

Team	W	L	Pct	GB
Orlando	13	3	.813	—
New York	10	5	.688	2 1/2
Boston	9	7	.563	3 1/2
Philadelphia	7	9	.438	5 1/2
Washington	7	8	.469	5 1/2
New Jersey	7	12	.368	7 1/2
Atlanta	4	19	.211	10 1/2

WEDNESDAY'S GAMES

Team	W	L	Pct	GB
Orlando	13	3	.813	—
New York	10	5	.688	2 1/2
Boston	9	7	.563	3 1/2
Philadelphia	7	9	.438	5 1/2
Washington	7	8	.469	5 1/2
New Jersey	7	12	.368	7 1/2
Atlanta	4	19	.211	10 1/2

WEDNESDAY'S GAMES

Team	W	L	Pct	GB
Orlando	13	3	.813	—
New York	10	5	.688	2 1/2
Boston	9	7	.563	3 1/2
Philadelphia	7	9	.438	5 1/2
Washington	7	8	.469	5 1/2
New Jersey	7	12	.368	7 1/2
Atlanta	4	19	.211	10 1/2

WEDNESDAY'S GAMES

Team	W	L	Pct	GB
Orlando	13	3	.813	—
New York	10	5	.688	2 1/2
Boston	9	7	.563	3 1/2
Philadelphia	7	9	.438	5 1/2
Washington	7	8	.469	5 1/2
New Jersey	7	12	.368	7 1/2
Atlanta	4	19	.211	10 1/2

WEDNESDAY'S GAMES

Team	W	L	Pct	GB
Orlando	13	3	.813	—
New York	10	5	.688	2 1/2
Boston	9	7	.563	3 1/2
Philadelphia	7	9	.438	5 1/2
Washington	7	8	.469	5 1/2
New Jersey	7	12	.368	7 1/2
Atlanta	4	19	.211	10 1/2

WEDNESDAY'S GAMES

Team	W	L	Pct	GB
Orlando	13	3	.813	—
New York	10	5	.688	2 1/2
Boston	9	7	.563	3 1/2
Philadelphia	7	9	.438	5 1/2
Washington	7	8	.469	5 1/2
New Jersey	7	12	.368	7 1/2
Atlanta	4	19	.211	10 1/2

WEDNESDAY'S GAMES

Team	W	L	Pct	GB
Orlando	13	3	.813	—
New York	10	5	.688	2 1/2
Boston	9	7	.563	3 1/2
Philadelphia	7	9	.438	5 1/2
Washington	7	8	.469	5 1/2
New Jersey	7	12	.368	7 1/2
Atlanta	4	19	.211	10 1/2

WEDNESDAY'S GAMES

Team	W	L	Pct	GB
Orlando	13	3	.813	—
New York	10	5	.688	2 1/2
Boston	9	7	.563	3 1/2
Philadelphia	7	9	.438	5 1/2
Washington	7	8	.469	5 1/2
New Jersey	7	12	.368	7 1/2
Atlanta	4	19	.211	10 1/2

WEDNESDAY'S GAMES

Team	W	L	Pct	GB
Orlando	13	3	.813	—
New York	10	5	.688	2 1/2
Boston	9	7	.563	3 1/2
Philadelphia	7	9	.438	5 1/2
Washington	7	8	.469	5 1/2
New Jersey	7	12	.368	7 1/2
Atlanta	4	19	.211	10 1/2

WEDNESDAY'S GAMES

Team	W	L	Pct	GB
Orlando	13	3	.813	—
New York	10	5	.688	2 1/2
Boston	9	7	.563	3 1/2
Philadelphia	7	9	.438	5 1/2
Washington	7	8	.469	5 1/2
New Jersey	7	12	.368	7 1/2
Atlanta	4	19	.211	10 1/2

WEDNESDAY'S GAMES

Team	W	L	Pct	GB
Orlando	13	3	.813	—
New York	10	5	.688	2 1/2
Boston	9	7	.563	3 1/2
Philadelphia	7	9	.438	5 1/2
Washington	7	8	.469	5 1/2
New Jersey	7	12	.368	7 1/2
Atlanta	4	19	.211	10 1/2

WEDNESDAY'S GAMES

Team	W	L	Pct	GB
Orlando	13	3	.813	—
New York	10	5	.688	2 1/2
Boston	9	7	.563	3 1/2
Philadelphia	7	9	.438	5 1/2
Washington	7	8	.469	5 1/2
New Jersey	7	12	.368	7 1/2
Atlanta	4	19	.211	10 1/2

WEDNESDAY'S GAMES

Team	W	L	Pct	GB
Orlando	13	3	.813	—
New York	10	5	.688	2 1/2
Boston	9	7	.563	3 1/2
Philadelphia	7	9	.438	5 1/2
Washington	7	8	.469	5 1/2
New Jersey	7	12	.368	7 1/2
Atlanta	4	19	.211	10 1/2

WEDNESDAY'S GAMES

Team	W	L	Pct	GB
Orlando	13	3	.813	—
New York	10	5	.688	2 1/2
Boston	9	7	.563	3 1/2
Philadelphia	7	9	.438	5 1/2
Washington	7	8	.469	5 1/2
New Jersey	7	12	.368	7 1/2
Atlanta	4	19	.211	10 1/2

WEDNESDAY'S GAMES

Team	W	L	Pct	GB
Orlando	13	3	.813	—
New York	10	5	.688	2 1/2
Boston	9	7	.563	3 1/2
Philadelphia	7	9	.438	5 1/2
Washington	7	8	.469	5 1/2
New Jersey	7	12	.368	7 1/2
Atlanta	4	19	.211	10 1/2



Goran Ivanisevic required only 58 minutes to defeat Boris Becker in a quarterfinal of the Grand Slam Cup in Munich.

Chinese Suspend 7 Swimmers in Drug Scandal

BEIJING (AP) — China's swimming federation has imposed a two-year suspension on seven swimmers who recently tested positive for drug use, one day after the international swimming federation, FINA, announced the suspension of Lu Bin.

Lu collected three gold medals at the World Championships and four golds and a world record at the Asian Games.

Yang Aihua, the world 400-meter freestyle champion, was also among the sus-

pended swimmers. Yang's suspension by FINA was announced previously.

A Chinese federation spokesman, Ren Jiawei, said Thursday the suspension applied to both domestic and international competitions. It will keep the two swimmers out of the 1996 Olympics in Atlanta.

They were among 11 Chinese athletes, seven of them swimmers, who tested positive for performance-enhancing drugs at the Asian Games in Hiroshima, Japan, in October.

FINA said it was asking the Chinese swimming federation to investigate how Lu obtained the illegal substances and whether any coach, trainer or doctor was involved.

Apart from Lu and Yang, the others have been identified as Zhou Guanbin, Xiong Guanbin, Hu Bin, Zhang Bin and Fuy Yong. All tested positive for dehydro-

testosterone, or DHT, which acts as a steroid.

Ivanisevic Blazes In Grand Slam Cup

The Associated Press

MUNICH — Goran Ivanisevic served his way past Boris Becker into the semifinals of the Grand Slam Cup on Thursday, showing some good tennis and more bad behavior.

Top-ranked Pete Sampras beat Michael Chang, 6-4, 6-3, and will face Ivanisevic in the semifinals.

Ivanisevic's 6-4, 6-1 victory took only 58 minutes.

In the two remaining quarter-

final matches, Magnus Larsson, who upset Stefan Edberg, will face Andre Agassi, who defeat-

ed Thomas Muster, and Todd Martin, who beat Karel Novacek, will play Sergi Bruguera, the victor over Andre Medvedev.

Ivanisevic is serving a two-month suspension from the ATP Tour for accumulating too many fines for code of conduct violations. He became the first player to be banned after an outburst at last month's ATP Tour World Championship in Frankfurt.

He was allowed to play at the Grand Slam Cup because the ATP considers the event an exhibition. The \$6 million tournament is the most lucrative in the world and Ivanisevic earned \$425,000 for reaching the last four.

The event invites players with best records at the four Grand Slam tournaments — the Australian, French and U.S. Opens and Wimbledon.

Ivanisevic lost his temper quickly Thursday and was given a warning by umpire Bruno Reuben in the fourth game.

Ivanisevic smashed his racket to the ground and raced toward the umpire swearing, after a linesman failed to call a shot by Becker that seemed clearly out.

The first break ended the first set, when Sampras beat three set points on Chang's serve, and converted the first with a soft volley.

The two Americans traded breaks early in the second set, and Sampras gained the edge when he broke again for a 4-2 lead.

Holding three match points, Sampras allowed Chang to deuce. But an ace set up the fourth match point and Sampras ended the contest with a backhand volley.

INTERNATIONAL CLASSIFIED

TODAY'S HOLIDAYS & TRAVEL SECTION

Appears on Page 8

OBSERVER

Nerd World Shopping

By Russell Baker

NEW YORK — Up-to-date is what I long to be, and what is more up-to-date than CD-ROM? So it was off to Nerd World, all 5,000 acres of it. Under one roof crouched, hummed, beeped, clicked, flashed and chattered the entire electronic miracle.

It swarmed with men. (Nerdeses are extremely rare in Nerd World.) The men wore earnest shirts and honest haircuts which made them look just the way I'd try to look if I were a spy for an enemy power trying to sneak into the CIA.

With a funny shirt (blue stripes on white) and weird hairdo (hair growing out of the ears), I stuck out like a man who couldn't tell a spreadsheet from cheese spread.

It was no use trying to speak to the salespeople. Nerd World's idea of a comprehensive question is: "Do you have a Niantic Interface Equalizer modified with Psycybernetics MCX-3P for a suppressed diatonic analyzer in a solid state of despondency?"

The trick is to nip swiftly into Nerd World as though you know what you're doing and find a sign — "CD-ROM" in the present case — indicating you're on the right track, grab something off the shelf before anybody can offer to be helpful, pay the cashier and get out fast.

Everything about the electronics business is amazing, but especially the retail sales end of it. At the start of my electronic career I went to a famous computer-name store. It took less than five minutes to realize the salesman was as dumb as I was about computers.

Not wishing to embarrass him, I bought the very machine on which this is being written, paying \$3,000 after asking if he would discount it for cash and being told that \$3,000 was, in fact, the discounted price.

This left all computer-wise humanity gasping with laughter, since not only was the same machine available at Nerd World for \$39.95, but it came with the manual of DOS operating instructions as well as the battery that was designed to go with it.

The problem at Nerd World lies at the other end of the scanner. If you don't have a recent engineering degree in the electronic miracle you can't make yourself understood to the salesmen. And yet, you want to be — have to be — up-to-date, which means, "Grab a CD-ROM, pay, and get out of there fast."

I'm home now, and if I had any tears left to shed, shed those tears would be. If I read this CD-ROM literature correctly, a whole new electronic start in life will be necessary. For instance, something called "386DX/33MHz" is required in the computer. We also need "4Mb of RAM" and an "MPC-compatible CD-ROM drive," a sound card, a mouse, loudspeakers and "SVGA 256-color display."

I can guess what a CD-ROM drive is, and I'll bet it will cost a pretty penny, as will loudspeakers, sound card and mouse.

As for "SVGA 256-color display," I foresee trouble. This machine's screen has produced only one color over the years — a rusty orange, which no longer looks as alarming to me as it did when first we met and I screamed, "My mother didn't raise me to write orange prose!"

What it all means, I suspect, is that getting up-to-date with CD-ROM could cost another thousand, or two, or three. By the time that's paid off, there will be a new electronic miracle to enchant us up-to-date guys.

Hey, let's pass up the present miracle and catch the next one.

New York Times Service

Brain vs. Computer: Penrose Strikes Again

By John Schwartz
Washington Post Service

WASHINGTON — Roger Penrose is one of science's most prominent and persistent risk-takers. In his new book, "Shadows of the Mind: A Search for the Missing Science of Consciousness," Penrose, 62, risks incurring the wrath of the scientific world. Again.

He asks whether science is on the threshold of making machines that think better than we do. His answer is ultimately no, but he goes on to make the case that computer power is growing while the capabilities of the brain remain constant. Transistors operate more quickly than neurons, and the chip manufacturers are cramming more transistors onto silicon wafers all the time. "An impressive-looking case can indeed be made that on any issue of merely computing power, if computers do not have the advantage over brains already, they will certainly have it before too long," Penrose says.

Penrose writes that computers could, in the optimistic view, solve humanity's troubling problems, "but there appears to be another logical consequence of these potential developments that may well strike us as genuinely alarming. Would not these computers eventually make human beings themselves superfluous? If the computer-guided robots turn out to be our superiors in every respect, then will they not find that they can run the world better without the need of us at all? Humanity itself will then have become obsolete."

Penrose has angered other scientists not by raising the alarm over the specter of thinking machines, but by belittling them. "Might we... be doing something with our brains that cannot be described in computational terms at all? How do our feelings of conscious awareness — of happiness, pain, love, aesthetic sensibility, will, understanding, etc. — fit into such a computational picture?" He is not saying that the workings of the mind are beyond the ken of science — simply that we don't yet have the tools to understand them.

Penrose builds on 50 years' worth of theories that tell us computers can do only so much — that the machines cannot duplicate the processes of the mind; they can't simulate human intelligence. He builds on a theorem by the mathematician Kurt Gödel, who explained there are true axioms of arithmetic that simply can't be proved mathematically. The mathematician Alan Turing showed that Gödel's theorem applied to computer programs, setting practical limits on the universe of things computers could be expected to prove.

Penrose, mathematician, physicist and author, the Rouse Ball professor of mathematics at Oxford and visiting professor at Penn State, has worked with Stephen Hawking to describe black holes, and more recently has proposed controversial theories about

Tom Allen/The Washington Post
Roger Penrose: Computers have a lot to learn.

the workings of the brain in his 1989 book "The Emperor's New Mind." The book, a technical but engaging tour of modern science with a focus on human consciousness, was a surprising best-seller, but Penrose earned the enmity of much of the science community.

"The people who are going to like the book best will probably be those who don't understand it," wrote the biologist John Maynard Smith of "The Emperor's New Mind." "Most people do not want to see themselves as lumbering robots programmed to ensure the survival of their genes. . . . To be told by someone with impeccable scientific credentials that they are nothing of the kind can only be pleasing."

Daniel Dennett, a professor of philosophy at Tufts University, has devoted a chapter of a forthcoming book on evolution to criticizing Penrose, accusing him of being a romantic looking for "dramatic proof of the specialness of the human mind." By obsessively searching for things computers cannot do, Dennett says, Penrose ignores the many important things that they can.

Oliver Strimpel, head of the Computer Museum in Boston, naturally takes the side of machines. But as an old chum of Penrose's from their Oxford days,

he claims that much of the anti-Penrose criticism is too harsh. "I do happen to disagree with his book, but I do think he's an incredibly thoughtful and wise person," Strimpel chafes up some of the animosity to professional jealousy: "He's managed to sell a lot of books — which may be galling to those who feel that they have truer theories, but don't sell as many books."

Marvin Minsky, one of the deans of artificial intelligence, said in a recent interview that he still isn't convinced that thought entails such mystical processes as Penrose describes, or that the musings and insights of a mathematician are what Penrose says they are. "What he calls intuition," Minsky says, "I call guessing."

The new book, "Shadows of the Mind," is an attempt to tell his detractors that they missed the point. Penrose says that his intention all along has been to use consciousness as a springboard for a broader discussion of big ideas. "I wanted to describe science just in a general way and my excitement about science. This gave the things an overall focus."

Criticized by specialists in the field he intruded on, he finds himself the unlikely hero of new-agers and crackpots, who as Smith predicted are drawn to what they merrily misinterpret as a mystical thread in his work — a "mystical" idea that the brain cannot be plumbed by mere science.

Penrose, however, still stands firmly on the side of scientific discovery, and denies that he is some kind of mystic. He expends a great number of pages insisting that the mentalist idea — that science can't explain awareness at all — is not his own. Instead, he sets out a middle-of-the-road idea: that some physical action of the brain evokes awareness, but that that process cannot be duplicated in a box filled with chips and wires that plugs into the wall. We won't get the whole picture, Penrose predicts, until we develop a new branch of physics that will explain the phenomena he describes. "I'm trying to say that in consciousness we are actually using some physics that physicists don't know yet," he says.

Computers show competence in areas that require rules, but have yet to show a glimmering of what Penrose would call intelligence. Penrose's early immersion in chess helped him to understand the prowess and limitations of computers in playing some games. He says that games such as chess, for all their complexity, do come down to rules that can be understood and expressed by programmers. In the Asian game go, however, computers have made few inroads. Penrose says the problem comes from the sheer number of moves possible at any one time — as many as 200. That swamps a computer. A human, on the other hand, judges the most productive avenues and winnows down the choices — and, possibly, rolls the many alternatives around in his brain simultaneously, waiting for answers to emerge.

PEOPLE

Yasser Arafat's Wife
Expecting Baby in July

Yasser Arafat, 65, is going to be a father. The PLO chairman's wife, Suha, 31, is expecting her first child in July.

Bryn Terfel, 29, the acclaimed Welsh bass-baritone who has been a drawing card for New York's Metropolitan Opera this season, has canceled his remaining performances in "Don Giovanni," on Dec. 16, 20 and 24. Terfel, who is to sing Leporello in the Mozart opera, is recovering from surgery on a herniated disk.

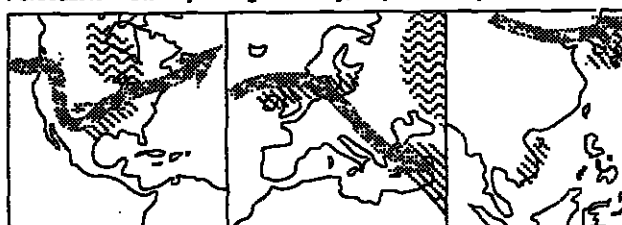
Kenzaburo Oe, the Japanese writer who is in Sweden to collect the Nobel Prize for Literature, says he plans to move to the United States to lecture at an unidentified university. He says he plans to remain in the United States for at least a year.

Jacqueline Kennedy Onassis's New York apartment is for sale for \$9 million, the New York Post reported. The 15-room apartment on Fifth Avenue was put on the market by Maurice Tempelman, Onassis's companion and executor. Tempelman apparently had the real estate agents sign a secrecy clause, which prospective buyers also must sign. One source said: "They don't want anyone bragging at some cocktail party that they've just inspected Jackie O's place."

A jury has awarded more than \$2 million to the heirs of two of the Three Stooges who claimed that the heirs of a third Stooge denied them a fair share of the profits from the movie "Curly Joe DeLoach." The widow of Curly Joe DeLoach is to get \$1.6 million and descendants of Larry Fine were awarded \$500,000 from Jeffrey Scott, the grandson of the Stooges' founder, Moe Howard, and Moe's daughter, Joan Mauer.

WEATHER

Forecast for Saturday through Monday, as provided by Accu-Weather.



North America
New York and Washington, D.C., will have some rain early Saturday, then cold and dry weather Sunday and Monday. Toronto and Chicago will be quite cold through the period with a chance of snow flurries. Los Angeles will be dry and mild through the weekend.

Europe
London will be rather windy over the weekend with a shower or two. More numerous showers are likely Monday. Paris will be dry and mild until Monday, when some showers move in. Areas from Spain through Italy will have dry weather Saturday through Monday.

Asia
Japan will have dry weather Saturday, then some rain Sunday. The rain will probably move away Monday. Showers will frequent South Asia, especially from South Vietnam southward. Most of the showers will be south of Hong Kong. There will be some showers in Singapore.

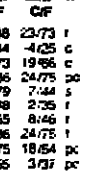
Middle East
Tehran will be dry and cool through the weekend. Baghdad will be dry and cool through the weekend. Jerusalem will be dry and cool through the weekend. Cairo will be dry and cool through the weekend. Beirut will be dry and cool through the weekend. Damascus will be dry and cool through the weekend. Aleppo will be dry and cool through the weekend. Hama will be dry and cool through the weekend. Latakia will be dry and cool through the weekend. Tartus will be dry and cool through the weekend. Tripoli will be dry and cool through the weekend. Tyre will be dry and cool through the weekend. Sidon will be dry and cool through the weekend. Beirut will be dry and cool through the weekend. Damascus will be dry and cool through the weekend. Aleppo will be dry and cool through the weekend. Hama will be dry and cool through the weekend. Latakia will be dry and cool through the weekend. Tartus will be dry and cool through the weekend. Tripoli will be dry and cool through the weekend. Tyre will be dry and cool through the weekend. Sidon will be dry and cool through the weekend.

Latin America
Buenos Aires will be dry and cool through the weekend. Lima will be dry and cool through the weekend. Santiago will be dry and cool through the weekend. Mexico City will be dry and cool through the weekend. Havana will be dry and cool through the weekend. Bogota will be dry and cool through the weekend. Lima will be dry and cool through the weekend. Santiago will be dry and cool through the weekend. Mexico City will be dry and cool through the weekend. Havana will be dry and cool through the weekend. Bogota will be dry and cool through the weekend.

Africa
Cairo will be dry and cool through the weekend. Lagos will be dry and cool through the weekend. Accra will be dry and cool through the weekend. Addis Ababa will be dry and cool through the weekend. Johannesburg will be dry and cool through the weekend. Cape Town will be dry and cool through the weekend. Nairobi will be dry and cool through the weekend. Harare will be dry and cool through the weekend. Windhoek will be dry and cool through the weekend. Pretoria will be dry and cool through the weekend. Durban will be dry and cool through the weekend. Port Elizabeth will be dry and cool through the weekend. Cape Town will be dry and cool through the weekend. Nairobi will be dry and cool through the weekend. Harare will be dry and cool through the weekend. Windhoek will be dry and cool through the weekend. Pretoria will be dry and cool through the weekend. Durban will be dry and cool through the weekend. Port Elizabeth will be dry and cool through the weekend.

Asia

Forecast for Saturday through Monday, as provided by Accu-Weather.



Asia
Tokyo will be dry and cool through the weekend. Seoul will be dry and cool through the weekend. Beijing will be dry and cool through the weekend. Shanghai will be dry and cool through the weekend. Hong Kong will be dry and cool through the weekend. Taipei will be dry and cool through the weekend. Manila will be dry and cool through the weekend. Bangkok will be dry and cool through the weekend. Jakarta will be dry and cool through the weekend. Singapore will be dry and cool through the weekend. Kuala Lumpur will be dry and cool through the weekend. Colombo will be dry and cool through the weekend. Dhaka will be dry and cool through the weekend. Calcutta will be dry and cool through the weekend. Rangoon will be dry and cool through the weekend. Hanoi will be dry and cool through the weekend. Saigon will be dry and cool through the weekend. Phnom Penh will be dry and cool through the weekend. Vientiane will be dry and cool through the weekend. Bangkok will be dry and cool through the weekend. Jakarta will be dry and cool through the weekend. Singapore will be dry and cool through the weekend. Kuala Lumpur will be dry and cool through the weekend. Colombo will be dry and cool through the weekend. Dhaka will be dry and cool through the weekend. Calcutta will be dry and cool through the weekend. Rangoon will be dry and cool through the weekend. Hanoi will be dry and cool through the weekend. Saigon will be dry and cool through the weekend. Phnom Penh will be dry and cool through the weekend. Vientiane will be dry and cool through the weekend.

Africa

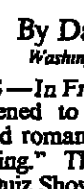
Forecast for Saturday through Monday, as provided by Accu-Weather.



Africa
Cairo will be dry and cool through the weekend. Lagos will be dry and cool through the weekend. Accra will be dry and cool through the weekend. Addis Ababa will be dry and cool through the weekend. Johannesburg will be dry and cool through the weekend. Cape Town will be dry and cool through the weekend. Nairobi will be dry and cool through the weekend. Harare will be dry and cool through the weekend. Windhoek will be dry and cool through the weekend. Pretoria will be dry and cool through the weekend. Durban will be dry and cool through the weekend. Port Elizabeth will be dry and cool through the weekend. Cape Town will be dry and cool through the weekend. Nairobi will be dry and cool through the weekend. Harare will be dry and cool through the weekend. Windhoek will be dry and cool through the weekend. Pretoria will be dry and cool through the weekend. Durban will be dry and cool through the weekend. Port Elizabeth will be dry and cool through the weekend.

Europe

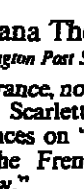
Forecast for Saturday through Monday, as provided by Accu-Weather.



Europe
London will be rather windy over the weekend with a shower or two. More numerous showers are likely Monday. Paris will be dry and mild until Monday, when some showers move in. Areas from Spain through Italy will have dry weather Saturday through Monday.

Latin America

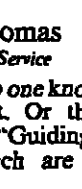
Forecast for Saturday through Monday, as provided by Accu-Weather.



Latin America
Buenos Aires will be dry and cool through the weekend. Lima will be dry and cool through the weekend. Santiago will be dry and cool through the weekend. Mexico City will be dry and cool through the weekend. Havana will be dry and cool through the weekend. Bogota will be dry and cool through the weekend. Lima will be dry and cool through the weekend. Santiago will be dry and cool through the weekend. Mexico City will be dry and cool through the weekend. Havana will be dry and cool through the weekend. Bogota will be dry and cool through the weekend.

Middle East

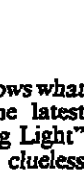
Forecast for Saturday through Monday, as provided by Accu-Weather.



Middle East
Tehran will be dry and cool through the weekend. Baghdad will be dry and cool through the weekend. Jerusalem will be dry and cool through the weekend. Cairo will be dry and cool through the weekend. Beirut will be dry and cool through the weekend. Damascus will be dry and cool through the weekend. Aleppo will be dry and cool through the weekend. Hama will be dry and cool through the weekend. Latakia will be dry and cool through the weekend. Tartus will be dry and cool through the weekend. Tripoli will be dry and cool through the weekend. Tyre will be dry and cool through the weekend. Sidon will be dry and cool through the weekend.

Asia

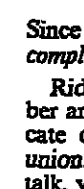
Forecast for Saturday through Monday, as provided by Accu-Weather.



Asia
Tokyo will be dry and cool through the weekend. Seoul will be dry and cool through the weekend. Beijing will be dry and cool through the weekend. Shanghai will be dry and cool through the weekend. Hong Kong will be dry and cool through the weekend. Taipei will be dry and cool through the weekend. Manila will be dry and cool through the weekend. Bangkok will be dry and cool through the weekend. Jakarta will be dry and cool through the weekend. Singapore will be dry and cool through the weekend. Kuala Lumpur will be dry and cool through the weekend. Colombo will be dry and cool through the weekend. Dhaka will be dry and cool through the weekend. Calcutta will be dry and cool through the weekend. Rangoon will be dry and cool through the weekend. Hanoi will be dry and cool through the weekend. Saigon will be dry and cool through the weekend. Phnom Penh will be dry and cool through the weekend. Vientiane will be dry and cool through the weekend.

Africa

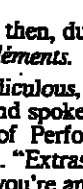
Forecast for Saturday through Monday, as provided by Accu-Weather.



Africa
Cairo will be dry and cool through the weekend. Lagos will be dry and cool through the weekend. Accra will be dry and cool through the weekend. Addis Ababa will be dry and cool through the weekend. Johannesburg will be dry and cool through the weekend. Cape Town will be dry and cool through the weekend. Nairobi will be dry and cool through the weekend. Harare will be dry and cool through the weekend. Windhoek will be dry and cool through the weekend. Pretoria will be dry and cool through the weekend. Durban will be dry and cool through the weekend. Port Elizabeth will be dry and cool through the weekend. Cape Town will be dry and cool through the weekend. Nairobi will be dry and cool through the weekend. Harare will be dry and cool through the weekend. Windhoek will be dry and cool through the weekend. Pretoria will be dry and cool through the weekend. Durban will be dry and cool through the weekend. Port Elizabeth will be dry and cool through the weekend.

Europe

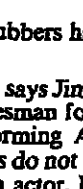
Forecast for Saturday through Monday, as provided by Accu-Weather.



Europe
London will be rather windy over the weekend with a shower or two. More numerous showers are likely Monday. Paris will be dry and mild until Monday, when some showers move in. Areas from Spain through Italy will have dry weather Saturday through Monday.

Latin America

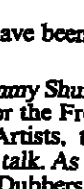
Forecast for Saturday through Monday, as provided by Accu-Weather.



Latin America
Buenos Aires will be dry and cool through the weekend. Lima will be dry and cool through the weekend. Santiago will be dry and cool through the weekend. Mexico City will be dry and cool through the weekend. Havana will be dry and cool through the weekend. Bogota will be dry and cool through the weekend. Lima will be dry and cool through the weekend. Santiago will be dry and cool through the weekend. Mexico City will be dry and cool through the weekend. Havana will be dry and cool through the weekend. Bogota will be dry and cool through the weekend.

Middle East

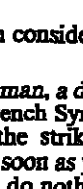
Forecast for Saturday through Monday, as provided by Accu-Weather.



Middle East
Tehran will be dry and cool through the weekend. Baghdad will be dry and cool through the weekend. Jerusalem will be dry and cool through the weekend. Cairo will be dry and cool through the weekend. Beirut will be dry and cool through the weekend. Damascus will be dry and cool through the weekend. Aleppo will be dry and cool through the weekend. Hama will be dry and cool through the weekend. Latakia will be dry and cool through the weekend. Tartus will be dry and cool through the weekend. Tripoli will be dry and cool through the weekend. Tyre will be dry and cool through the weekend. Sidon will be dry and cool through the weekend.

Asia

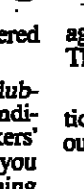
Forecast for Saturday through Monday, as provided by Accu-Weather.



Asia
Tokyo will be dry and cool through the weekend. Seoul will be dry and cool through the weekend. Beijing will be dry and cool through the weekend. Shanghai will be dry and cool through the weekend. Hong Kong will be dry and cool through the weekend. Taipei will be dry and cool through the weekend. Manila will be dry and cool through the weekend. Bangkok will be dry and cool through the weekend. Jakarta will be dry and cool through the weekend. Singapore will be dry and cool through the weekend. Kuala Lumpur will be dry and cool through the weekend. Colombo will be dry and cool through the weekend. Dhaka will be dry and cool through the weekend. Calcutta will be dry and cool through the weekend. Rangoon will be dry and cool through the weekend. Hanoi will be dry and cool through the weekend. Saigon will be dry and cool through the weekend. Phnom Penh will be dry and cool through the weekend. Vientiane will be dry and cool through the weekend.

Africa

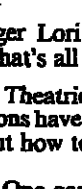
Forecast for Saturday through Monday, as provided by Accu-Weather.



Africa
Cairo will be dry and cool through the weekend. Lagos will be dry and cool through the weekend. Accra will be dry and cool through the weekend. Addis Ababa will be dry and cool through the weekend. Johannesburg will be dry and cool through the weekend. Cape Town will be dry and cool through the weekend. Nairobi will be dry and cool through the weekend. Harare will be dry and cool through the weekend. Windhoek will be dry and cool through the weekend. Pretoria will be dry and cool through the weekend. Durban will be dry and cool through the weekend. Port Elizabeth will be dry and cool through the weekend. Cape Town will be dry and cool through the weekend. Nairobi will be dry and cool through the weekend. Harare will be dry and cool through the weekend. Windhoek will be dry and cool through the weekend. Pretoria will be dry and cool through the weekend. Durban will be dry and cool through the weekend. Port Elizabeth will be dry and cool through the weekend.

Europe

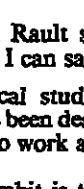
Forecast for Saturday through Monday, as provided by Accu-Weather.



Europe
London will be rather windy over the weekend with a shower or two. More numerous showers are likely Monday. Paris will be dry and mild until Monday, when some showers move in. Areas from Spain through Italy will have dry weather Saturday through Monday.

Latin America

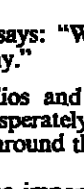
Forecast for Saturday through Monday, as provided by Accu-Weather.



Latin America
Buenos Aires will be dry and cool through the weekend. Lima will be dry and cool through the weekend. Santiago will be dry and cool through the weekend. Mexico City will be dry and cool through the weekend. Havana will be dry and cool through the weekend. Bogota will be dry and cool through the weekend. Lima will be dry and cool through the weekend. Santiago will be dry and cool through the weekend. Mexico City will be dry and cool through the weekend. Havana will be dry and cool through the weekend. Bogota will be dry and cool through the weekend.

Middle East

Forecast for Saturday through Monday, as provided by Accu-Weather.



Middle East
Tehran will be dry and cool through the weekend. Baghdad will be dry and cool through the weekend. Jerusalem will be dry and cool through the weekend. Cairo will be dry and cool through the weekend. Beirut will be dry and cool through the weekend. Damascus will be dry and cool through the weekend. Aleppo will be dry and cool through the weekend. Hama will be dry and cool through the weekend. Latakia will be dry and cool through the weekend. Tartus will be dry and cool through the weekend. Tripoli will be dry and cool through the weekend. Tyre will be dry and cool through the weekend. Sidon will be dry and cool through the weekend.

Asia

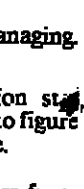
Forecast for Saturday through Monday, as provided by Accu-Weather.



Asia
Tokyo will be dry and cool through the weekend. Seoul will be dry and cool through the weekend. Beijing will be dry and cool through the weekend. Shanghai will be dry and cool through the weekend. Hong Kong will be dry and cool through the weekend. Taipei will be dry and cool through the weekend. Manila will be dry and cool through the weekend. Bangkok will be dry and cool through the weekend. Jakarta will be dry and cool through the weekend. Singapore will be dry and cool through the weekend. Kuala Lumpur will be dry and cool through the weekend. Colombo will be dry and cool through the weekend. Dhaka will be dry and cool through the weekend. Calcutta will be dry and cool through the weekend. Rangoon will be dry and cool through the weekend. Hanoi will be dry and cool through the weekend. Saigon will be dry and cool through the weekend. Phnom Penh will be dry and cool through the weekend. Vientiane will be dry and cool through the weekend.

Africa

Forecast for Saturday through Monday, as provided by Accu-Weather.



Africa
Cairo will be dry and cool through the weekend. Lagos will be dry and cool through the weekend. Accra will be dry and cool through the weekend. Addis Ababa will be dry and cool through the weekend. Johannesburg will be dry and cool through the weekend. Cape Town will be dry and cool through the weekend. Nairobi will be dry and cool through the weekend. Harare will be dry and cool through the weekend. Windhoek will be dry and cool through the weekend. Pretoria will be dry and cool through the weekend. Durban will be dry and cool through the weekend. Port Elizabeth will be dry and cool through the weekend. Cape Town will be dry and cool through the weekend. Nairobi will be dry and cool through the weekend. Harare will be dry and cool through the weekend. Windhoek will be dry and cool through the weekend. Pretoria will be dry and cool through the weekend. Durban will be dry and cool through the weekend. Port Elizabeth will be dry and cool through the weekend.

The Concorde does it in three
With an operator, you can do it even faster

ASIA/PACIFIC

AUSTRALIA 1-800-891-811

CHINA 1-800-1111

HONG KONG 800-1111

INDIA 800-1111

INDONESIA 001-801-11

JAPAN 0030-111

KOREA 009-111

MACAO 0020-111

MALAYSIA 800-8011

NEW ZEALAND 000-911

PHILIPPINES 105-11

RUSSIA (MOSCOW) 105-9042

SAPANA 225-2872

SINGAPORE 800-0111-111

SHANGHAI 430-430

TAIWAN 8080-10280-0

THAILAND 0019-911-111

EUROPE 80414111

AUSTRIA 022-903-011

BELGIUM 8-800-100-10

BULGARIA 91-102-5730

CANADA 99-38-0011

CZECH REPUBLIC 06-420-00101

DEMARK 8001-0010

FINLAND 9080-100-10

FRANCE 19-001